

Special Trademark Issues Review Team Recommendations

STATUS OF THIS DOCUMENT

These are the recommendations for the Generic Names Supporting Organization (GNSO) from the Special Trademark Issues Review Team (STI) on the policy implications of certain rights protection mechanisms proposed for the New GTLD Program.

BACKGROUND AND APPROACH TAKEN

On 12 October 2009, the ICANN Board sent a letter¹ to the GNSO requesting its review of the policy implications of certain trademark protection mechanisms proposed for the New gTLD Program, as described in the Draft Applicant Guidebook and accompanying memoranda. Specifically, the Board Letter requested that the GNSO provide input on whether it approves the proposed staff model, or, in the alternative, the GNSO could propose an alternative that is equivalent or more effective and implementable. In response, the GNSO adopted a resolution creating the Special Trademarks Issues review team (STI) on 28 October 2009² which included representatives from each Stakeholder Group, At-Large, Nominating Committee Appointees, and the GAC (identified on **Annex 3**), to analyze the specific rights protection mechanisms that have been proposed for inclusion into the Draft Applicant Guidebook.

At its initial meeting in Seoul, the STI decided to proceed by developing an alternative proposal for the GNSO's consideration. Since Seoul, the STI has participated in multiple telephone conferences per week in an effort to identify an alternative model that would reflect the consensus position of the members of the STI. The alternative model described below reflects compromises made by each of the stakeholder representatives in an effort to find a solution that would be more effective and implementable than the Staff Model.

In preparation for the STI, each constituency and stakeholder group met with its STI representatives and had the opportunity to prepare and submit principles and comments to the STI group. The STI used these principles and materials in its deliberations and negotiations. While the STI alternative proposal does not reflect the opinion or approval

¹ A copy of the Board Letter is attached as **Annex 1** to this Report.

² The text of the GNSO Council Resolution is contained in **Annex 2** to this Report.

of any constituency or stakeholder group, it does reflect the informed effort of the diverse group of representatives. The STI was comprised largely of attorneys, from all SGs, with years of Internet and trademark law, plus a few non-lawyers. It is expected that SG approval will be sought by the time the GNSO Council votes on the recommendations contained in this Report. The next Council meeting is scheduled for 17 December 2009.

The STI work focused its attention on the areas of the Staff Model that raised concerns for the members of the STI. Identified below are principles that address these concerns, along with an assessment of the level of consensus achieved within the STI for each of these principles. For the purposes of this Report, the STI has adopted the following conventions to describe the level of agreement among the STI for each principle:

- Unanimous Consensus
- Rough consensus - a position where a small minority disagrees but most agree
- Strong Support- where there may be significant opposition
- No Consensus

Those minority opinions that were known at the time this Report was written are included in **Annex 4**. Others may be appended by Stakeholder Groups prior to the vote of the GNSO Council.

TRADEMARK CLEARINGHOUSE PROPOSAL

There is a consensus³ among the members of STI that though this was not a rights protection mechanism, the creation of a Trademark Clearinghouse (TC) to be operated by an arms-length contractor, would be a beneficial implementation tool for rights protection mechanisms, such as sunrise or TM Claims, and therefore should be included in the New GTLD program, except as indicated below. The STI recognizes that a Trademark Clearinghouse could serve as a convenient location to store registered trademark information in a centralized location on behalf of trademark holders, and could create efficiencies for trademark owners, as well as registries which will benefit from having one centralized database from which to interact to obtain the necessary trademark information to support its pre-launch rights protections mechanisms. The Business Constituency has widespread concerns regarding the Trademark Clearinghouse as expressed in its minority statement included in **Annex 4** to this Report. Other minority opinions have been included in **Annex 4** to address specific issues raised by the STI proposal described below.

The STI Trademark Clearinghouse Model includes the following features:

	Feature	STI Principles	Level of Consensus
1	Name		
1.1	Trademark Clearinghouse	The name of the rights protection mechanism should be the “Trademark Clearinghouse” to signify that only trademarks are to be included in the database.	<i>Unanimous Consensus</i>

³ This is not a unanimous consensus as a result of the BC Minority Position referenced in **Annex 4**.

2	Functionality of Trademark Clearinghouse		
2.1	Separation of Functions	The TC should be required to separate its two primary functions: (i) validation of the trademarks included in the TC, and (ii) serving as a database to provide information to the new gTLD registries. Staff should have the discretion to determine whether the same provider could serve both functions, or whether two providers would be more appropriate.	<i>Unanimous Consensus</i>
2.2	Use of Regional Expertise	The TC Service Provider(s) should utilize regional Marks Validation Service Providers (VSP) (whether directly or through sub-contractors) to take advantage of local experts who understand the nuances of the trademark rights in question.	<i>Unanimous Consensus</i>
2.3	Segregation of TC Database	The TC Service Provider should be required to maintain a separate TC database, and may not store any data in the TC database related to its provision of ancillary services, if any.	<i>Unanimous Consensus</i>

2.4	Global Submission of Data into the TC	The TC should be able to accommodate submissions from all over the world. To accommodate this principle, the entry point for trademark holders to submit their data into the TC database could be regional entities or one entity (provided that can demonstrate it can accommodate language/currency/cultural issues globally). The system to be adopted by the TC Service Provider for submissions from trademark holders should allow for different/local languages, with the exact implementation details to be left to Staff. Multiple portals for entry of data to be submitted into the TC Database would be acceptable.	<i>Unanimous Consensus</i>
2.5	Trademark Holder Submission Through One Entry Point	The trademark holder would only be required to submit to one entry point if it has multiple registrations covering many regions. If multiple entities used, ICANN should host an information page describing how to locate regional submission points.	<i>Unanimous Consensus</i>
2.6	One Centralized Database for Registry Use	Registry should only need to connect with one centralized database to obtain the information it needs to conduct its sunrise processes or TM Claims Services (TM Claims), regardless of the details of the TC service provider and its contract(s) with ICANN.	<i>Unanimous Consensus</i>

3	Relationship with ICANN		
3.1	ICANN Accreditation Agreement for Validation Services	The Service Provider(s) providing the validation of the trademarks submitted into the TC should adhere to rigorous standards and requirements that would be specified in an ICANN contractual agreement. The model to be suggested for this contractual relationship would be similar to the detailed registrar accreditation agreement, rather than the minimal accreditation practice adopted by ICANN for UDRP providers (e.g., WIPO, NAF, and others).	Rough Consensus BC Minority Position
3.2	ICANN Agreement for Database Services	The TC Service Provider responsible for maintaining the centralized database should have formal, detailed contract with ICANN. The contract should include service level agreement metrics, customer service availability (seven days per week, 24 hours per day, 365 days per year), data escrow requirements, and equal access requirements for all persons and entities required to access the TC database. The Agreement should also include indemnification by Service Provider for errors such as false positives for participants, such as Registries, ICANN, Registrants, and Registrars.	Rough Consensus BC Minority Position

4	Marks Eligible for Inclusion in the TC		
4.1	National or Multinational Registered Marks	The TC Database should be required to include nationally or multinationally registered “text mark” trademarks, from all jurisdictions, (including countries where there is no substantive review). (The trademarks to be included in the TC are text marks because “design marks” provide protection for letters and words only within the context of their design or logo and the STI was under a mandate not to expand existing trademark rights.)	Rough Consensus BC Minority position
4.2	Common Law Rights	No common law rights should be included in the TC Database, except for court validated common law marks; provided that a new gTLD Registry may elect to have the TC Service Provider collect and verify common law right provided that it conforms to Recommendation 2.3. The TC Service Provider could charge higher fees to reflect the additional costs associated with verifying these common law rights.	Rough Consensus At-Large Minority Position BC Minority Position

4.3	Conversion of Mark into TC Database	The TC Database should be structured to report to registries strings that are considered an “Identical Match” with the validated trademarks. “Identical Match” means that the domain name consists of the complete and identical textual elements of the Mark. In this regard: (a) spaces contained within a mark that are either replaced by hyphens (and vice versa) or omitted, (b) only certain special characters contained within a trademark are spelt out with appropriate words describing it (@ and &.), (c) punctuation or special characters contained within a mark that are unable to be used in a second-level domain name may either be (i) omitted or (ii) replaced by spaces, hyphens or underscores and still be considered identical matches, and (d) no plural and no "marks contained" would qualify for inclusion.	Rough Consensus BC Minority Position
5	Mandatory Pre-Launch Use of the Trademark Clearinghouse		
5.1	TM Claims or Sunrise Use	All new gTLD registries should be required to use the TC to support its pre-launch rights protection mechanisms (RPMs) that should, at a minimum, consist of a TM Claims process or a sunrise process that meets the minimum standards and	<i>Unanimous Consensus</i>

		sunrise challenge grounds as specified in the IRT Report, ⁴ except to the extent that a registry elects not to extend sunrise protection for certain trademarks as described in 5.2 below). There is no requirement that a registry adopt both of these RPMs.	
5.2	Protection for all Trademarks in the TC	<p>New gTLD registries should provide equal protection to all trademarks in the TC for their RPMs, except as follows:</p> <ul style="list-style-type: none"> (i) Inclusion of a trademark in the Trademark Clearinghouse from a country where there is no substantive review does not necessarily mean that a new gTLD Registry must include those trademarks in a Sunrise or IP Claims Process; or (ii) Registries shall have discretion to decide whether to grant protections to trademarks in the TC. ICANN could allow specialized gTLDs to restrict eligibility for sunrise registrations to fit the purpose of the registry as described in the charter (example, .shoe could restrict 	<p>Rough Consensus</p> <p>IPC Minority Statement</p>

⁴ Please refer to the IRT Report posted at <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>, Section 6, Standard Sunrise Registration Process.

		sunrise to only trademark registrations in shoe-related class of goods and services).	
6	Voluntary Use of the Trademark Clearinghouse		.
6.1	Use of TC For Ancillary Services	There should be no bar on the TC Service Provider or other third party service providers providing ancillary services on a non-exclusive basis. Such services could include, without limitation, a “marks contained” service, or a TM watch service. In order not to have a competitive advantage over competitors, the TC database should be licensed to competitors interested in providing ancillary services on equal and non-discriminatory terms, and on commercially reasonable terms; provided that the TC Service Provider is not materially advantaged in the provision of such ancillary services by virtue of it being the TC Service Provider. The specific implementation details should be left to Staff to address possible monopoly and competition concerns, and all terms and conditions related to the provision of such services shall be included in the TC Service Provider’s agreement with ICANN and subject to ICANN review. As stated in 2.3, if the TC Service Provider provides such ancillary services, any information should be stored in a separate database. Access by the Registrant to verify and	Rough Consensus BC Minority Position

		research TM Claims Notices shall not be considered an ancillary service, and shall be provided without cost to the Registrant.	
6.2	Pre-Registration of URS	The TC could be used to enable URS Procedures by allowing trademark holders to preregister their trademark information to support a future URS action based on rights in jurisdictions where there is substantive review of trademark registrations. The TC shall provide confirmation of the TM, and its jurisdictions, to the URS Providers for a fee.	Rough Consensus BC Minority Position
7	Mandatory Post-Launch Use of the TC		
7.1	No Required Post-Launch TM Claims	Use of the TC Database to support post-launch TM Claims shall not be required.	Rough Consensus At-Large Minority Position BC Minority Position

8	Required Elements of TM Claims Notice		
8.1	TM Claims Notice to provide clarity to Registrant	<p>The TM Claims Notice should provide clear notice to the Registrant of the scope of the trademark holder’s rights, in order to minimize the chilling effect on registrants. A form TM Claims Notice that describes the required elements is attached as Annex 5. If feasible, the TM Claims Notice should provide links, or provide alternative methods of providing access, to the registrant for accessing the TC Database information referenced in the TM Claims Notice for a fuller understanding of the TM rights being claimed by the trademark owner. These links shall be provided in real time without cost to the Registrant. The implementation details should be left to ICANN Staff to determine how to easily provide access to registrants to this information. The TM Claims notice should be preferably be provided in the language used for the rest of the interaction with the registrar or registry, but at the very least in the most appropriate UN-sponsored language (as specified by the prospective registrant or registrar/registry).</p>	<p>Rough Consensus</p> <p>BC Minority Position</p>

9	Effect of Filing with the TC		
9.1	TC is a depository of information and does not create legal rights	It should be clearly stated in mandate of the TC that inclusion of a TC validated mark into the Database is not proof of any right, nor does it confer any legal rights on the trademark holder. Also, failure to file should not be perceived to be lack of vigilance by Trademark holders.	Unanimous Consensus
10	Costs of Operating the TC		
10.1	Costs of Operating Clearinghouse	Costs should be completely borne by the parties utilizing the services. ICANN should not be expected to fund the costs of the operating the TC. The TC should not be expected to fund ICANN from its fees.	Rough Consensus Joint RySG and NCSG Minority Position BC Minority Position

UNIFORM RAPID SUSPENSION PROCEDURE

There is consensus among the members of STI that creation of a Uniform Rapid Suspension (URS) procedure would be a beneficial rights protection mechanism for inclusion in the New GTLD program. The STI recognizes that the URS could provide trademark holders with a cost effective, expedited process in instances of clear cut instances of trademark abuse, provided that the procedure includes appropriate safeguards to protect registrants who engage in legitimate uses of domain names. Despite the expedited nature of the URS, Staff shall recommend a uniform procedure for and URS Service providers that shall provide procedures consistent with fair notice, justice, and due process.

The STI URS Model includes the following features:

	Feature	Principle	Level of Consensus
1	Mandatory RPM		
1.1	Mandatory Use	Use of the URS should be a required RPM for all New gTLDs.	<i>Unanimous Consensus</i>
2	Pleadings and Evaluation Standards		
2.1	Elements of the Complaint and Safe Harbors for the Registrant	The elements to be alleged in the complaint should be the same as the UDRP (as described in Annex 6), to take advantage of the body of precedent available. The URS Complaint should require the trademark holder to satisfy the same elements as the UDRP. The URS should include safe harbors to protect legitimate uses of domain names. The URS shall include language that explains safe harbors available	<i>Unanimous Consensus</i>

		to registrants. Such safe harbors have been successfully used in similar processes in other jurisdictions. These requirements are described in Annex 6 .	
2.2	Format of Complaint and Answer	The form of the complaint should be simple and as formulaic as possible. There should be reasonable limits on the length of complaint and answer. The complaint should allow space for some explanation, and should not be solely a check box.	<i>Unanimous Consensus</i>
2.3	Examination of the Case	ICANN should provide the examiners with instructions on the URS Elements and Safe Harbors, and how to conduct the examination of a URS case. These instructions are described in Annex 6 .	<i>Unanimous Consensus</i>
2.4	Standard of Review	A URS Complaint needs to establish by clear and convincing evidence that there is no genuine issue of material fact requiring further consideration. Annex 7 provides an explanation of how this standard should be applied to URS cases.	<i>Unanimous Consensus</i>
3	Notice to Registrant		
3.1	Mode of Notice	Notices should be sent through all the following available modes to increase the likelihood that the registrant will receive actual notice of the Complaint: E-mail, fax, certified copy via postal mail.	<i>Unanimous Consensus</i>

3.2	Notice Contents	Notices should be clear to the registrant, and understandable to registrants located globally. ICANN. Staff should have the discretion to evaluate options to implement this requirement, including language issues, in an efficient and effective manner; specifically, the notice should be in the language used by the registrant during the registration process.	<i>Unanimous Consensus</i>
4	Effect on Domain Name		
4.1	Effect of Filing Complaint	Upon passing initial examination of the Complaint, an “Initial Freeze” status is applied to the domain name, meaning that the domain name cannot be transferred, the WHOIS record cannot change, but the domain name still resolves to the original IP address and all features would function (e.g. web, e-mail).	<i>Unanimous Consensus</i>
4.2	Effect of Decision in favor of Complainant	Promptly after receipt of a decision in favor of Complainant, the domain name shall be placed on hold, and the domain name shall no longer resolve to the name servers in effect prior to the decision.	<i>Unanimous Consensus</i>
4.3	Effect of Filing a Answer after Default	Promptly after filing an answer after a Default decision in favor of the Complainant, the name servers shall be returned to the state in which it existed immediately prior to the domain name being placed on hold.	<i>Unanimous Consensus</i>
5	Answer		

5.1	Time to Answer	The Registrant shall have twenty (20) days to file its answer prior to being declared in default, provided that a decision is rendered on an expedited basis (within 3 - 5 days).	<i>Unanimous Consensus</i>
5.2	Answer Fee	No answer fee will be charged if the Registrant files its answer prior to being declared in default, or not more than thirty (30) days following a decision. For answers filed more than thirty (30) days after a decision, the Registrant should pay a reasonable fee prior to re-examination.	<i>Unanimous Consensus</i>
5.3	Effect of Filing a Answer after Default	If Registrant fails to file an answer within twenty (20) days and the examiner rules in favor of Complainant, Registrant shall have the right to seek de novo review by filing an answer at any time during the life of the registration. Upon such an answer being received, the Domain Name shall resolve to the original IP address as soon as practical. The filing of an answer after Default is not an appeal.	<i>Unanimous Consensus</i>
6	Evaluation of URS Cases		
6.1	Commencement of Evaluation	Evaluation of a URS case should be conducted on an expedited basis. Evaluation should begin immediately upon the earlier of the expiration of a twenty (20) day answer period, or upon the submission of answer. A decision should be rendered on an expedited basis, with the stated goal that a decision should be rendered within three (3) business days. Staff should	<i>Unanimous Consensus</i>

		have the discretion to develop the implementation details in this regard, in order to accommodate the needs of the service providers.	
6.2	Number of Examiners	Examination of URS Cases should be conducted by one Examiner.	<i>Unanimous Consensus</i>
6.3	Training of Examiners	Examiners should have legal background and should be trained and certified in URS proceedings.	<i>Unanimous Consensus</i>
6.4	Assignment of Examiners	ICANN should discourage forum shopping among URS service providers through its URS implementation and contracts. Examiners within a service provider shall be rotated to avoid forum shopping. It is strongly encouraged that the URS service provider accept all credentialed and properly trained URS examiners.	<i>Unanimous Consensus</i>
6.5	Providing Fair Examiners	The URS Service Providers shall avoid "cherry picking" of examiners that are likely to rule in a certain way. Service Providers should be required to work with all certified examiners, with reasonable exceptions (such as language needs, non-performance, or malfeasance) - with such reasonable exceptions to be determined by ICANN Staff as an implementation detail. ICANN Staff will strongly urge URS Providers to accept all properly- trained URS Examiners.	<i>Unanimous Consensus</i>

6.6	Evaluation on the Merits	Unless withdrawn by Complainant, the examiner should evaluate the claim on the merits in every case -- regardless if the Registrant defaults or answers.	<i>Unanimous Consensus</i>
7	URS Remedies		
7.1	Remedy if Successful on the Merits	If the complainant prevails, the domain name should be suspended for the balance of the registration period and would not resolve to the original website. Instead, the STI recommends that the nameservers are redirected to an informational web page provided by the URS service provider about the URS process. The URS service provider shall not be allowed to offer any other services on such page, nor shall it directly or indirectly use the web page for advertising purposes (either for itself or any other third party). The WHOIS for the domain name shall continue to display all of the information of the original registrant except for the redirection of the nameservers. In addition, the WHOIS shall reflect that the domain name will not be able to be transferred, deleted or modified.	Rough Consensus BC Minority Position
7.2	Additional Remedies	Option for successful complainant to pay to extend the registration period for one additional year for at commercial rates. No other remedies should be available in the event of a decision in favor of the complainant.	Rough Consensus At-Large Minority Position BC Minority Position

8	Appeal		
8.1	Appeal of Decision	<p>After a decision in any case, either party should have a right to seek a de novo appeal based on the existing record within the URS process for a reasonable fee to cover the costs of the appeal. The fees for an appeal should be borne by the appellant. A limited right to introduce new admissible evidence that is material to the decision will be allowed upon payment of an additional fee, provided the evidence clearly pre-dates the filing of the complaint. The Appeal Panel may request, in its sole discretion, further statements or documents from either of the Parties.</p>	<i>Unanimous Consent</i>
8.2	Effect of Appeal on the Domain Name	<p>Filing of an appeal should not change the domain name's resolution. For example, if the domain name no longer resolves to the original nameservers because of a decision in favor of the complainant, it continues to point the informational page provided by the URS service provider. If the domain name resolves to the original nameservers because of a decision in favor of the registrant, it continues to resolve during the appeal process.</p>	<i>Unanimous Consensus</i>
8.3	Effect of Decision in appeal or UDRP	<p>A URS decision should not preclude any other remedies available to the appellant, such as UDRP (if appellant is the complainant), or other remedies as may be available in a court of competent jurisdiction. A finding</p>	<i>Unanimous Consensus</i>

		in URS for or against a party should not prejudice the party in UDRP.	
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8.4	Evaluation of Appeal	The URS should not use an ombudsman for appeals of URS decisions. URS appeals shall be conducted by either: (i) a three (3) person panel selected from a preselected pool of panelists, or (ii) three (3) panelists, with one appointed by each of the parties and third panellist selected by the other two panellists or by the service provider. In the interest of time and efficiency, both options shall be provided to the Appellant by the URS Service Providers.	<i>Unanimous Consensus</i>
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9	Abuse of Process		
9.1	Abuse by trademark holders	<p>The URS shall incorporate penalties for abuse of the process by trademark holders. In the event of two (2) abusive complaints, or one (1) finding of a "deliberate material falsehood," the party should be barred for one (1) year from URS. Two (2) findings of "deliberate material falsehood" should permanently bar the party from the URS. Multiple complaints must be against the same entity and should not include affiliates. Staff shall implement guidelines for what constitutes abuse, consistent with previous cases of reverse domain name hijacking, TM abuse and general principles of fairness. The examiner of the URS case should indicate in the decision whether an abusive complaint or a deliberate material falsehood has occurred, and the Service Providers should report any of such findings to ICANN.</p>	<i>Unanimous Consensus</i>
9.2	Abuse by Examiners	<p>The URS shall incorporate penalties for abuse of the process by examiners. Three (3) or more findings of abuse of process or discretion against an examiner shall cause the examiner to lose its certification to serve as a panelist. Staff to implement guidelines for what constitutes abuse and who makes the decision. ICANN to collect data related to such findings of abuse by examiners.</p>	<i>Unanimous Consensus</i>

10	Review of URS		
10.1	Mandatory Review of URS	ICANN will conduct a review of the URS one year after the first date of operation. There is no requirement that the URS should automatically expire or terminate after any set period of time. ICANN will publish examination statistics for use in the review of the URS.	<i>Unanimous Consensus</i>

ANNEX 1 – ICANN BOARD LETTER TO THE GNSO

The letter dated 12 October 2009 from the Board to the GNSO Council regarding the special trademark issues is posted at:

<http://gns0.icann.org/correspondence/beckstrom-to-gnso-council-12oct09-en.pdf>

ANNEX 2- GNSO MOTION CREATING THE STI

20091028-3

Motion on Selected Trademark Issues from the ICANN Board of Directors

WHEREAS, the ICANN Board has requested that the GNSO Council evaluate certain ICANN staff implementation proposals for the protection of trademarks in new gTLDs based in part on the recommendations from the IRT, public comments, and additional analysis undertaken by ICANN Staff, as described in the letter dated 12 October 2009 Letter from Rod Beckstrom & Peter Dengate Thrush to GNSO Council.

WHEREAS, the ICANN Board letter requests the GNSO Council's view by December 14, 2009 on whether certain rights protection mechanisms for second level strings recommended by ICANN Staff based on public input are consistent with the GNSO Council's proposed policy on the introduction of new gTLDs, and are the appropriate and effective options for achieving the GNSO Council's stated principles and objectives;

WHEREAS, the GNSO Council has reviewed the ICANN Board letter and desires to approve the procedures for conducting such evaluation;

NOW THEREFORE BE IT RESOLVED that the GNSO Council adopts the following process to conduct the evaluation requested by the Board:

1. GNSO REVIEW TEAM WILL BE COMPRISED OF REPRESENTATIVES DESIGNATED AS FOLLOWS: THE REGISTRAR AND REGISTRY STAKEHOLDER GROUPS WITH TWO (2) REPRESENTATIVES EACH, THE COMMERCIAL STAKEHOLDER GROUPS AND THE NON-COMMERCIAL STAKEHOLDER GROUPS WITH FOUR (4) REPRESENTATIVES EACH, AT-LARGE WITH ONE (1) REPRESENTATIVE, ONE REPRESENTATIVE FROM THE NOMINATING COMMITTEE APPOINTEES(1) AND THE GOVERNMENT ADVISORY COMMITTEE (GAC) WITH ONE (1) OBSERVER. ALTERNATE MEMBERS MAY PARTICIPATE IN CASE OF ABSENCE OF THE DESIGNATED REPRESENTATIVES;

2. EACH OF THE STAKEHOLDER GROUPS WILL SOLICIT FROM THEIR MEMBERS THEIR INITIAL POSITION STATEMENTS ON THE QUESTIONS AND ISSUES RAISED BY THE ICANN BOARD LETTER AND THE ICANN STAFF PROPOSED MODELS FOR THE IMPLEMENTATION OF THE TRADEMARK

CLEARINGHOUSE AND UNIFORM RAPID SUSPENSION MODEL, AND WILL DELIVER THEIR INITIAL POSITION STATEMENTS ON NOVEMBER 4, AND WITH FINAL POSITION STATEMENTS TO BE DELIVERED BY NOVEMBER 6, 2009;

3. SUCH POSITION STATEMENTS WILL BE SUMMARIZED BY ICANN STAFF AND DISTRIBUTED TO THE GNSO REVIEW TEAM TO EVALUATE WHETHER A CONSENSUS CAN BE REACHED ON THE ICANN STAFF IMPLEMENTATION MODELS OR OTHER PROPOSALS FOR THE PROTECTION OF TRADEMARKS IN THE NEW GTLD PROGRAM; AND

4. THE GNSO REVIEW TEAM WILL CONDUCT ITS ANALYSIS, IDENTIFY THOSE AREAS WHERE CONSENSUS HAS ALREADY BEEN REACHED, AND SEEK TO DEVELOP CONSENSUS ON THOSE ISSUES FOR WHICH CONSENSUS COULD NOT BE DETERMINED. (THE ASSISTANCE OF MEMBERS OF THE IRT IN ANSWERING QUESTIONS ABOUT THE IP CLEARINGHOUSE AND UNIFORM RAPID SUSPENSION SYSTEM RECOMMENDATIONS MAY BE USEFUL TO THIS WORK. THE GNSO COUNCIL REQUESTS THAT MEMBERS OF THE IRT WHO WORKED ON THOSE RECOMMENDATIONS BE AVAILABLE TO ANSWER ANY SUCH QUESTIONS THAT MAY ARISE), AND

5. THE GNSO REVIEW TEAM WILL PROVIDE A FINAL REPORT TO THE GNSO COUNCIL ON OR BEFORE THE GNSO COUNCIL'S MEETING IN LATE NOVEMBER, 2009.

ANNEX 3 - THE WORKING GROUP

In accordance with the GNSO Resolution approved on 28 October, 2009, the STI was comprised of the following representatives:

NAME	AFFILIATION
David Maher (Chair)	Ry SG
Jeff Neuman	Ry SG
Alan Greenberg	ALAC
Olivier Crépin-Leblond	ALAC (Alternate)
Paul McGrady	IPC, CSG
Mark Partridge	IPC, CSG
Kristina Rosette	IPC, CSG (Alternate)
Jeff Eckhaus	Rr SG
Jon Nevett	Rr SG
Jean-Christophe Vignes	Rr (Alternate)
Mike Rodenbaugh	BCUC, CSG (Alternate)
Zahid Jamil	BCUC, CSG
Robin Gross	NCSG
Kathy Kleiman	NCSG
Wendy Seltzer	NCSG
Konstantinos Komaitis	NCSG
Mary Wong	NCSG (Alternate)
Leslie Guanyuan	NCSG (Alternate)
Tony Harris	ISP Constituency, CSG
Andrei Kolesnikov	NCA
Maimouna Diop	GAC Observer

ANNEX 4 – MINORITY REPORTS

Joint RYSG and NCSG Statement on Trademark Clearinghouse Section 10.1:

Trademark holders, who benefit from the service, should bear the costs of the clearinghouse.

Minority Position wrt the Initial Report on Specific Trademark Issues By the Commercial and Business Users Constituency

I. Trademark Clearinghouse

The Business Constituency believes that the Trademark Clearinghouse as described in the initial STI report will create minimal significant new/additional benefits for Trademark Holders due to:

The scope of the match for sunrise and ‘TM Claims’ would be even more limited than those adopted by existing gTLD launches (e.g. .asia's “Mark Plus” words in the Nice Classification etc., and .eu’s recognition of common law trademarks).

And

The limitation on mandatory use of the TMC data by contracting parties, such that it is only required during Sunrise Periods or ‘pre-launch TM Claims’ services, and will not be required to be checked for all new gTLD registrations.

To clarify, we are not opposing the Clearinghouse as framed. We have come to the disappointing opinion that ‘something is better than nothing.’ However we believe it should have much broader applicability, and thus usefulness, both as to the scope of marks allowed into the database, and the further use of the database throughout the life of new gTLD registries. We suggest that a feasibility study be done, based on the TMC as framed, as compared to also requiring broader applicability, before a final decision is made. We are adamant that the costs of developing and operating the TMC must be borne by ICANN and its registries and registrars, who benefit by far the most from the TMC as framed,

and not be borne by TM owners and other registrants, except for a minimal registration fee to submit their public records into the database.

The whole point of this “overarching issue” was to lessen the need for defensive registrations and to deter cybersquatting. The Clearinghouse does little in either regard, because it will only be used for sunrise periods, and primarily to encourage defensive registrations, as registries and registrars tend to promote their sunrise periods broadly to the TM owner community. If it is also used for a TM notification system, it will be of much bigger benefit to everyone in the community, with no discernible downside. We are encouraged that such systems still could be built from the Clearinghouse and employed by willing registries or registrars, even if they will not be required of all new gTLD registrations.

The BC does not believe that the more appropriately termed Sunrise Database is anything more than simply that: a centralized Database for Sunrise Periods. It is not a Rights Protection Mechanism. It will never be used for pre-launch “TM Claims” services because those services can simply be ignored by cybersquatters until the registry launches, and then continue the same business models they have perfected to date.

As currently and narrowly framed, the TMC doesn’t address any of the pre-launch concerns of Trademark Mark Holders such as the need for defensive registrations vis a vis the lack of any effective deterrent to cybersquatting. Instead the TMC encourages and facilitates still more defensive registrations. One of the fundamental premises of the work on this ‘overarching’ issue of trademark protection is that trademark owners generally do NOT want more defensive registration, particularly in hundreds or thousands of newTLDs. While a standardized sunrise process does assist some trademark owners who are

inclined to register new names, as currently framed the TMC will be of little of no benefit to the vast majority of trademark owners.

Who pays?

As it is currently framed, the Clearinghouse only affords TM owners the opportunity to pay to register one exact match of their textual trademarks, and have one chance to pay to register one identically corresponding domain name in each of hundreds and eventually thousands of new TLDs. The fee will have to be extremely minimal for TM owners, as that is the extent of the benefit.

TM Holders are to PAY ANNUALLY to be in this Sunrise Clearinghouse. Although it may provide the singular benefit of single window and one time sunrise registration, it also financially benefits Registries and registrars since it will dramatically reduce their costs for administering Sunrise Periods. Those Sunrise Periods provide early revenue and market adoption for registries and registrars wrt each newTLD. Hence, the BC is of the view that the costs of the Sunrise Clearinghouse should be shared by ICANN and the contracting parties, and not be borne by TM Holders alone.

What does a Match mean?

It would be reasonable that the match for Notices as well as Sunrise should be competitive with existing practices. However, the STI recommends that a match is only an EXACT match to the Trade Mark (i.e. yahoo.web or ebay.web). So variants (i.e. yahhoo.web or ebayy.web) and “Mark plus” significant words (i.e. yahoosports.web or ebayfrance.com) would not be matched for any application for which the Clearinghouse is used. This extremely narrow definition of “match” is even narrower than those allowed by .EU, .TEL and .ASIA and as such do not represent best practice. The STI also excludes common law rights and other

legally names names, for no apparent reason whatsoever, given that they have been included in virtually every sunrise period conducted to date.

Suggestions for Improvements

1. Allow inclusion of common law rights and protected names.
2. Broaden match to include at least the protection offered by Dot Asia in sunrise⁵.
3. A so-called “TM Claims” service should be mandatory throughout the life of new gTLD registries, unless there is strong reason for an exception granted by ICANN. This would benefit everyone, and cause harm to nobody. It would be a much broader incentive for TM owners to participate in the Clearinghouse, and demonstrate a much broader commitment by ICANN and its contracting parties to prevent domain name disputes from occurring. It could be implemented easily enough -- if there was such a will, there would be a way.

II. The URS:

The BC is in agreement with the proposal, except for the issue of transfer of domain names to successful complainants. We agree with the ALAC and others

^{5 5} Dot Asia Sunrise: “Domain Name Applied For may be constituted with Mark plus significant words from the class description in the Nice Classification system (<http://www.wipo.int/classifications/nivilo/nice/>) E.g. Mark for “XYZ” in Nice Class 1: “Chemicals” may apply for “XYZChemicals.Asia”.

BC proposes a carve out to avoid any possible Chilling Effect:

“ ...additions of letters or words would not include letters or words that, prima facie, when read in conjunction with the trade name:

1. imply a free speech use
2. completely change the meaning of the name to another well recognized and understood name/dictionary word (a non-exclusive/non-exhaustive list of examples may be found at appendix “X” for the purpose of illustration)”

Such an Appendix can include a list of examples for both exceptions.

on this, that it would be tremendously unfair to force successful URS complainants to file a UDRP in order to be assured the domain will not be maliciously re-used, and/or in order to use the domain itself. The whole point of the URS should be to provide a quicker and cheaper remedy than the UDRP, for the most egregious cases of cybersquatting. Not a different remedy, just a quicker and cheaper remedy.

As it looks, the cost of preparing and filing a URS is not likely to be dramatically cheaper or faster than filing a UDRP, as the evidentiary standard is even higher; and the time to resolution also does not appear to be dramatically different if the URS plays out its entire life... to the point where the complainant would have to file a UDRP or court action anyway, in order to control the domain name. Thus, what is the benefit of this new RPM, and will it ever be used?

Cost is not looking much cheaper for URS, and if it doesn't result in transfer then will force a UDRP and/or court action anyway. It appears laughable to assume a URS complaint can be resolved for a \$300 filing fee, when essentially the same case must be presented by the complainant as under a UDRP, except the evidentiary burden is much higher. So the cost is likely to be somewhere north of \$500 at least. While that is some substantial savings on the UDRP filing fee (\$1300 at NAF for one domain), the costs of investigating the abuse and filing a complaint will be nearly identical. Thus the costs of addressing each cybersquatted domain, on average, is not likely to drop in any substantial respect.

Since any remedy other than transfer would likely require a UDRP next year anyway, why would anyone choose it? Thus, any purported cost savings are a red herring, maybe an average of \$5000 per case instead of \$6000, or something of that 10-20% magnitude. Will this be worth all of the time expended by the IRT

and this group thus far? The BC thinks not, and thinks we all can do better, simply by allowing URS complainants the further option of transferring obviously infringing names to their own account, for beneficial use.

There is simply no reason not to allow a transfer after the process (including appeals) has run its course. Otherwise there may be minimal value to the process, and tremendous resources might be wasted designing it and trying to implement it. Meanwhile many new TLDs will launch, and millions more cybersquatted domains may be registered in dozens or hundreds of those new TLDs. Thus, at minimum, ICANN should conduct a feasibility study before any decision is made by Council or the Board, which attempts to resolve two questions: 1) will the URS, as framed, be implementable as a sustainable business model; and 2) would it be more sustainable if transfer were allowed (i.e. how many more complainants would use it?).

Respectfully submitted,

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Business Constituency

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At- Large Advisory Committee

The At-large Advisory Committee submits the following three statements to be attached to the STI Review Team report dated 11 December 2009:

1. Additional Marks in the Clearinghouse – Report section Clearinghouse 4.2

The TC should also allow the inclusion of names, for the purposes of sunrises, which would include a registered TM used in conjunction with:

- a dictionary word that is associated with the class of services trademarked (example: a chemical company XYZ could deposit in the TC the name "XYZ-Chemicals". This was allowed in the .asia sunrise.
- a dictionary word that is regularly used in clear association with the TM (example: Yahoo-Finance - see <http://finance.yahoo.com/>). There would need to be carefully worded rules, objection processes and **penalties** for depositing names in the TC that do not meet the criteria (example: Yahoo-stinks, unless Yahoo starts to manufacture and sell stink-bombs).

Rationale:

Brand owners want to be able to have clear right-of-first-refusal to reduce opportunities for cyber-squatting and to reduce the need for URS and UDRP proceedings. We believe that At-Large benefits from such legitimate registrations by reducing the opportunity for user confusion which results from cyber-squatters obtaining such names. From the perspective of a non-sophisticated user, if they enter a name that CLEARLY maps to a known brand, it should not resolve to a pay-per-click page or someone offering a competing product or service.

2. Transfer of a domain name after a successful URS – Report section URS 7.2

We recommend that a transfer to the successful URS claimant at end-of registration be allowed.

Barring that being accepted, we suggest that a transfer be allowed after a second successful URS.

Rationale:

At-Large believes that this is a reasonable action to reduce cyber-squatting and the resultant user confusion.

A number of reasons for opposing such a transfer have been raised:

- a) The URS was not originally envisioned by the IRT as a transfer mechanism - if the TM holder wants to take custody of the name, they should use the more expensive and slower UDRP either following a successful URS, or instead of the URS

ALAC Response: This should not be relevant. We have already changed MUCH in the original IRT proposal, and rightfully so. And it seems mean-spirited to force a TM holder to go through the UDRP just because of how the URS was originally envisioned.

- b) We need to differentiate the URS from the UDRP

ALAC Response: Why? There is a good probability that over the next few years, the two procedures will be reviewed and merged into a single procedure with multiple paths.

- c) It may be complex for the registry and/or registrar to implement if not carefully designed.

ALAC Response: This can be overcome with careful design. Since the domain is explicitly flagged as being the subject of a successful URS, the process should not be onerous if requested at URS-time by the claimant.

- d) It may take a generic word domain name (which might have legitimate uses over and above those used by the current registrant (which resulted in a successful URS))

ALAC Response: Chances are that either through successive URS proceedings or a UDRP, the name will go out of circulation anyway.

The alternative implementation will not be as effective, but will be better than having to file a UDRP. The argument has been made that tracking URS duplicates would be too onerous. However, if it is the responsibility of the TM holder to indicate that a URS is a 2nd one (with reference to the original URS), no tracking is required, other than on the part of the TM holder.

3. Post-Launch TM Claims – Report section Clearinghouse 7.1

At-Large recommends further investigation with respect to the efficient and effecting implementation of post-launch IP claims and on the potential chilling effect on non-IP-professional registrants.

Rationale: If the chilling effect is not unreasonable, this could reduce cyber-squatting and when it fails, will increase the probability and speed of a successful URS against cyber-squatters.

IPC Minority Statement re STI Report, Clearinghouse Section 5.2

The IPC opposes Section 5.2(i) and the first sentence of 5.2(ii) of the Trademark Clearinghouse part of the STI Report. These sections of the STI report on the Clearinghouse recommend that new gTLD registries should provide equal protection to all trademarks in the Clearinghouse, except for trademarks from countries that do not have substantive review of trademark applications, and further suggest that registries should have unspecified discretion to decide "whether to grant protections to trademarks in the Clearinghouse."

The exceptions stated above are contrary to the recommendations of the IRT and would make the Clearinghouse inadequate. While IPC is prepared to accept compromises on a number of its long-held positions in the context of the STI report, the IPC is strongly opposed to limiting the use of the Clearinghouse in that manner. The trademark registration systems of a large number of developing and developed countries, including most of Europe, do not engage in substantive review. It is a serious problem and unwise for ICANN or its registries to treat such systems in the Clearinghouse as being inferior or to disenfranchise registrants from these countries from the protections in the Clearinghouse. This would particularly prejudice small businesses and not-for-profits who may only budget for a limited number of trademark registrations in their country of origin, rather than a global registration program.

Instead, the protections provided by new gTLD registries, at a minimum, should include all registrations of national or multinational effect, as recommended by the IRT. We understand the concerns voiced by some that this might allow trademark holders in the Benelux and elsewhere to obtain domain name registration for generic terms. Rather than denying trademark registrants from those countries all benefits of the Clearinghouse, in order to address a few problematic registrations, the proper solution for such concerns is to deal with questions of scope and validity through filing deadlines, notice, disclosure, and challenge procedures. These techniques have worked well to address this problem in previous gTLD launches.

The statement appearing in the first sentence of 5.2(ii) is misleading and should not be adopted. IPC does not object to the specific example given in the second sentence.

ANNEX 5 - FORM TM CLAIMS NOTICE

TRADEMARK NOTICE

[In English and the language of the registration agreement]

You have received this Trademark Notice because you have applied for a domain name which matches at least one trademark record submitted to the Trademark Clearinghouse.

You may or may not be entitled to register the domain name depending on your intended use and whether it is the same or significantly overlaps with the trademarks listed below. ***Your rights to register this domain name may or may not be protected as noncommercial use or "fair use" by the laws of your country. [in bold italics or all caps]***

Please read the trademark information below carefully, including the trademarks, jurisdictions, and goods and service for which the trademarks are registered. Please be aware that not all jurisdictions review trademark applications closely, so some of the trademark information below may exist in a national or regional registry which does not conduct a thorough or substantive review of trademark rights prior to registration.

If you have questions, you may want to consult an attorney or legal expert on trademarks and intellectual property for guidance.

If you continue with this registration, you represent that, you have received and you understand this notice and to the best of your knowledge, your registration and use of the requested domain name will not infringe on the trademark rights listed below.

The following [number] Trademarks are listed in the Trademark Clearinghouse:

1. Mark: Jurisdiction: Goods: [click here for more if maximum character count is exceeded] International Class of Goods and Services or Equivalent if applicable:
Trademark Registrant: Trademark Registrant Contact:

[with links to the TM registrations as listed in the TM Clearinghouse]

2 Mark: Jurisdiction: Goods: [click here for more if maximum character count is exceeded] International Class of Goods and Services or Equivalent if applicable: Trademark Registrant:

Trademark Registrant Contact:

***** [with links to the TM registrations as listed in the TM Clearinghouse]

X. 1. Mark: Jurisdiction: Goods: [click here for more if maximum character count is exceeded] International Class of Goods and Services or Equivalent if applicable: Trademark Registrant: Trademark Registrant Contact:

ANNEX 6 – EVALUATION OF THE URS CASE

URS Examination Instructions

1. Evaluation of the Complaint

1.1 The Final Evaluation analysis involves consideration of three basic issues, similar to the standards for a UDRP decision, but requiring a much higher burden of proof. The Examiner shall consider each of the following three elements:

- a. Whether the domain name is identical or confusingly similar to a mark in which the Complainant holds a valid trademark registration issued by a jurisdiction that conducts substantive examination of trademark applications prior to registration. A list of such jurisdictions shall be compiled and made available to parties and Examiners; and
- b. Whether the domain name registrant lacks any right or legitimate interest in the domain name; and
- c. Whether the domain name has been registered and used in bad faith.

1.2 A list of non-exclusive circumstances that demonstrate bad faith registration and use mirror the list stated in the UDRP, namely:

- a. circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- b. you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- c. you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- d. by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your

web site or location or of a product or service on your web site or location.

2. Evaluation of the Answer

2.1 The Registrant may submit an Answer refuting the claim of abusive and bad faith registration by setting out any of the following circumstances which mirror the “Rights to and Legitimate Interests in the Domain Name” of the UDRP, namely:

- a. before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or
- b. you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
- c. you are making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

2.2 Such claims, if found by the Examiner to be proved based on its evaluation of all evidence presented, shall result in a finding in favor of the Registrant.

3. Safe Harbors⁶ available to the Registrant

3.1 The Registrant may further demonstrate that its use of the domain name is not in bad faith by showing one of the following factors:

- a. The Domain Name is generic or descriptive and the Registrant is making fair use of it.
- b. Domain Name sites operated solely in tribute to or in criticism of a person or business may constitute fair use and therefore shall not be considered abuse under this policy.
- c. Registrant’s holding of the Domain Name is consistent with an express term of a written agreement entered into by the disputing Parties.
- d. Trading in domain names for profit, and holding a large portfolio of domain names, are of themselves not indicia of bad faith under this policy. Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute. The Examiner will review each case on its merits.
- e. The Domain Name is not part of a wider pattern or series of abusive registrations because the Domain Name is of a significantly different type or character to the other domain names registered by the Registrant.
- f. Sale of traffic (i.e. connecting domain names to parking pages and earning click-per-view revenue) does not in and of itself constitute abuse under the Policy.

⁶ The language describing these Safe Harbors originated from the policy adopted by Nominet.

Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute. The Examiner will take into account:

- i. the nature of the Domain Name;
- ii. the nature of the advertising links on any parking page associated with the Domain Name; and
- iii. that the use of the Domain Name is ultimately the Registrant's responsibility.

4. Issuing a Decision

4.1 If the Examiner finds that *all three elements* are satisfied by clear and convincing evidence and that there is no genuine contestable issue, then the Examiner shall issue a decision in favor of the Complainant. If the Examiner finds that this test is not met, then the Examiner shall deny the relief requested terminating the URS process without prejudice to the ability of the Complainant to proceed with an action in court of competent jurisdiction or under the UDRP.

ANNEX 7 – STANDARD OF REVIEW

For a URS case to be successful based on:

- 1) the complaint;
- 2) the verified TM from a jurisdiction that performs substantial validation (including if applicable, its geographic limitations and class of service);
- 3) the domain name in question;
- 4) the contents of the web site or other evidence of the domain name usage; and
- 5) the registrant response (if received);

the Examiner, shall give a finding that there is no genuine issue of material fact. Such finding may include the finding that A) the complainant has rights to the name and B) the Registrant has no rights or legitimate interest in the name.

This means that the complainant must present adequate evidence to substantiate its trademark rights in the domain name (e.g., evidence of a trademark registration and evidence that the domain name was registered and is being used in bad faith in violation of the URS).

If the Examiner finds that the complainant has not met its burden, or that genuine issues of material fact remain unsatisfied in regards any of the elements, the Examiner will reject the complaint as inappropriate for Rapid Suspension.

- 1) (if a response was received) No evidence was presented to indicate that the use of the domain name in question is a non-infringing or fair use of the TM.

or

- 2) (if a response was not received) No defense can be imagined to indicate that the use of the domain name in question is a non-infringing or fair use the TM.

In the absence of a clear belief of 1) or 2), the URS shall be rejected.

Where there is any genuine contestable issue as to whether a domain name registration and use is an abusive use of a trademark, the complaint will be denied terminating the URS process without prejudice to further action, e.g., a UDRP or court proceeding. The URS is not intended for use in any questionable proceedings, but only clear cases of trademark abuse.