



December 15, 2009

GNSO Council  
ATTN: Chuck Gomes

VIA EMAIL

Re: Special Trademarks Issues (“STI”) Report dated December 11, 2009

Dear Mr. Gomes:

I write in my capacity as President of the Intellectual Property Constituency (“IPC”). As you and your fellow Councilors are undoubtedly aware, the IPC is charged with representing within the GNSO the full range of trademark and other intellectual property interests relating to the DNS. IPC members are international, regional and national intellectual property organizations from around the world, corporate entities with intellectual property interests (often as owners of intellectual property), and individuals with an interest in intellectual property matters.

Recently, the IPC had the honor of having two member representatives on the Special Trademark Issues Work Team (“STI”), which was created by the GNSO Council in response to the Board of Directors’ October 12, 2009 letter regarding two trademark protection implementation models proposed by ICANN staff. The IPC applauds the efforts of all the participants in the STI. Given the extraordinarily tight timeframe, the IPC believes that the members of the STI have issued a thorough report and set of recommendations. That being said, however, the IPC wishes to state for the record its position on a number of issues before the GNSO Council considers the STI report at its meeting on December 17, 2009.

#### **1. Inclusion of registrations for design marks in the Trademark Clearinghouse**

The IPC believes that registrations for design marks should be included in the Trademark Clearinghouse. We concede that the inclusion of design marks in the .eu start-up phase created an extra level of complexity, but we believe the inclusion of registrations for such marks would most benefit small to medium enterprises and non-profit organizations that do not have the budget to file numerous iterations of their marks due to cost considerations. As indicated in the STI report, the IPC is fully supportive of a mandatory Trademark Clearinghouse as a tool to supply information for use in the rights protections mechanisms utilized by registries during the start-up phase. We understand that there is no clear consensus on the inclusion of design marks in the Clearinghouse, but we believe the best practice would be to include such marks to offer the broadest possible benefit and efficiency to trademark owners, registrars and registries.

## **2. Inclusion of common law rights in the Trademark Clearinghouse**

Similarly, the IPC continues to believe that common-law rights should be allowed into the Trademark Clearinghouse so that registries in the jurisdictions which recognize such rights may provide start-up rights protection mechanisms to protect the owners of such marks, which are normally small to medium enterprises and non-profit groups. Further, the IPC continues to believe that the original concept set out in the IRT Final Report was the far better model. Under the IRT's proposal, the "IP Clearinghouse" would be designed to accept and authenticate registered trademarks, common-law trademarks and any other intellectual property rights that a new registry operator might choose to protect in the start-up phase in accordance with the local law of the registry's home jurisdiction. At a minimum, however, the Trademark Clearinghouse should allow registry operators in countries that recognize common-law rights to use the Clearinghouse tool to implement rights protection mechanisms that protect such rights. While the IPC is cognizant that reaching consensus, required a limited<sup>1</sup> inclusion of common-law trademarks we remain convinced that the optimum value of the Trademark Clearinghouse will not be achieved without including common-law rights in a manner similar to that used in the .eu validation process. Should the ICANN Board of Directors accept the STI report *in toto*, we remain hopeful that registry operators in those jurisdictions that recognize common-law rights will voluntarily offer rights protection mechanisms for such marks. We do not see anything in the STI recommendations that prevents new registry operators from exercising the flexibility to offer rights protection mechanisms for common-law marks and using the Trademark Clearinghouse tool to inform those mechanisms. In other words, although a registry operator would not be *required* to include all common-law marks in its right protection mechanism, it should have the freedom to do so as long as such marks or any other additional rights included are clearly protected under the registry operator's home jurisdiction.

## **3. Scope of protection for marks held in the Trademark Clearinghouse and use of Clearinghouse for post start-up phase registrations**

The STI report recommends that the proposed Trademark Claims and Sunrise processes should be limited to "identical matches" of authenticated marks included in the Trademark Clearinghouse<sup>2</sup>. The IPC was willing to agree to this limitation as a mandatory requirement in order to achieve consensus support for a mandatory Trademark Clearinghouse. However, the IPC believes that this limitation should only serve as a floor and not as a ceiling to new gTLD registry operators. In short, if a new gTLD operator wants to offer in its start-up rights protection mechanisms a more innovative matching scheme such as the trademark plus recognizable generics (e.g., yahoo-internet.web) it should be allowed to do so. By allowing this type of market

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<sup>1</sup> The STI report does recommend the inclusion of common law rights that have been validated by a court.

<sup>2</sup> The term "identical match" has a specific definition that can be found in both the IRT final report Section 4 at pp. 18-19 and the STI recommendations at Section 4.3 on p. 9.

differentiation, ICANN will promote both innovation and competition: two of the goals it routinely touts in explaining its rationale for rolling out new gTLDs.

In a similar vein, the IPC notes that two other groups that participated in the STI have filed minority statements regarding the Trademark Clearinghouse proposal. Specifically, the Business Constituency and the At-Large Advisory Committee believe that the Trademark Clearinghouse tool should be used to populate a post-start up rights protection mechanism by requiring all new gTLD operators to provide a Trademark Claims notice to all potential domain name registrants during the life of the registry. While the IPC is not opposed to such a mechanism, we acknowledge the majority view that felt such a mechanism was unworkable. The IPC made this concession in order to achieve the much needed consensus on the Clearinghouse tool concept. Here again, should an innovative registry operator choose to offer a post-launch Trademark Claim service to its potential registrants, the IPC would fully support such a mechanism.

#### **4. Use of data collected in Trademark Clearinghouse to offer ancillary services**

One of the primary concerns of the IRT was the misuse of trademark data by the validation service and/or Trademark Clearinghouse provider. Accordingly, the IRT report contained a specific recommendation that any information provided to the Clearinghouse would only be available under very limited license from the owner of the rights to the purveyor of the Clearinghouse and/or validation services. Specifically, the IRT report stated that the information would be licensed to the vendors for the sole purpose of supplying the data to registries and registrars under rights protection mechanisms.<sup>3</sup> The IPC notes that recommendation 6.1 for the Trademark Clearinghouse explicitly states that there should be no prohibition on the purveyor of the Trademark Clearinghouse to offer ancillary services.<sup>4</sup> The IPC remains concerned that the failure to limit the permitted uses of the trademark data contained in the Trademark Clearinghouse could undermine its effectiveness and lead to unintended abuses. In short, the operator of the Clearinghouse should not be allowed to offer any ancillary services without express permission from the trademark owners whose data is contained in the tool.

#### **5. Use of Trademark Clearinghouse data to pre-register for disputes under the Uniform Rapid Suspension Procedure (“URS”)**

Finally, the IPC believes that the information contained in the Trademark Clearinghouse should be used to lower the cost of URS proceedings. The IPC supports the IRT recommendation to allow trademark owners whose trademark data is pre-validated in the Clearinghouse tool to populate a URS complaint and, to further incentivize use of the Clearinghouse tool, to provide a cost savings to those trademark owners that used the Clearinghouse data to support a URS claim.<sup>5</sup> The IPC believes that using the data in the

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<sup>3</sup> See, IRT final report Section 2 at p. 13.

<sup>4</sup> See, STI report, Recommendation 6.1 on pp. 11-12.

<sup>5</sup> See, IRT final report at n. 25 at p. 27.

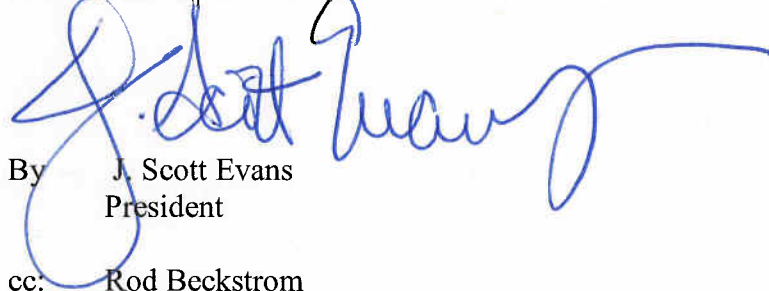
Clearinghouse tool in this manner will further the efficiencies not only of the Trademark Clearinghouse, but also the URS.

### **Conclusion**

In summary, the IPC believes that the STI recommendations only serve as a floor by recommending those characteristics and requirements of the Trademark Clearinghouse and the URS that will be mandatory for any new gTLD registry operator, and that new gTLD registry operators should be free to voluntarily expand upon these mandatory minimum protections by offering innovative solutions to the pervasive problem of trademark abuse that exists in the domain name system. It is our hope that the GNSO Council will recognize this concept and, in the spirit of innovation and competition, recommend to the ICANN Board that the STI recommendations serve as a solid floor of protection upon which gTLD operators will be free to build more innovative and differentiated rights protection mechanisms.

Respectfully submitted,

**THE INTELLECTUAL PROPERTY CONSTITUENCY**



By J. Scott Evans  
President

cc: Rod Beckstrom  
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ICANN Board of Directors