



## Comments of **MARQUES**, the European Association of Trade Mark Owners on the Rights Protection Mechanisms (RPMs) Review Draft Report

### Introduction to **MARQUES**

**MARQUES** is the European association representing brand owners' interests. The **MARQUES** mission is to be the trusted voice for brand owners. **MARQUES** unites European and international brand owners across all product sectors to address issues associated with the use, protection and value of IP rights, as these are vital to innovation, growth and job creation, which ultimately enhance internal markets.

**MARQUES** membership crosses all industry lines and includes brand owners and trademark professionals in more than 80 countries representing billions of dollars of trade annually. The trade mark owners and practitioners represented by **MARQUES**, together, own more than three million domain names and advise organisations of all sizes on rights protection in the domain name system. These domain names are relied upon by consumers across Europe as signposts of genuine goods and services.

More information about **MARQUES** and its initiatives is available at [www.marques.org](http://www.marques.org).

### **MARQUES'** comments on the RPMs Review Draft Report

**MARQUES** welcomes the opportunity to provide its comments on the RPMs Review Draft Report (the Draft Report) which has been produced as an initial assessment of the effectiveness of the RPMs devised for the New gTLD Program. **MARQUES** understands that following this public comment period, the Draft Report will be revised to incorporate the feedback received in order that the final version of the RPM Review Report may inform the Issue Report on the state of all RPMs, requested by the GNSO Council, and the independent review of the Trademark Clearinghouse, recommended by the Governmental Advisory Committee (GAC).

**MARQUES** supports the RPMs Review initiative and emphasises that to enhance the intellectual property protection in the New gTLD Program, it is crucial that the shortcomings of the RPMs are identified and remedied in the future. This comment has been prepared in light of the responses of the **MARQUES** members to the relevant questions posed in the Draft Report.

#### 1. Trademark Clearinghouse (TMCH)

**MARQUES** members recorded their primary and important secondary trademarks in the TMCH for the purposes of participating in Sunrise Periods, utilising registry-specific RPMs

**MARQUES Ltd** - Unit Q, Troon Way Business Centre, Humberstone Lane,  
Thurmaston, Leicester LE4 9HA United Kingdom  
Phone +44 116 274 7355 Fax +44 116 274 7365 Email: [info@marques.org](mailto:info@marques.org) / [aromeo@marques.org](mailto:aromeo@marques.org)

such as Domains Protected Mark List (DPML) and receiving Trademark Claims services. Overall these purposes were considered of equal importance to the decision whether to utilise the TMCH. The trade marks submitted included marks in Latin script as well as marks in Hebrew, Katakana, Chinese, Cyrillic, Korean and Thai.

We provide responses to the following questions posed in the Draft Report, these being the most relevant to **MARQUES** members:

**i. What were the challenges, if any, in terms of satisfying the requirements for trademark inclusion into the Clearinghouse?**

Challenges encountered by **MARQUES** members were largely practical ones relating to the manner of implementation of the TMCH. One of the challenges faced during the TMCH verification process was the inability of the TMCH to verify trademarks that consist of text in more than one script. For example, some trademarks contain Latin script text alongside the text in non-Latin local script and this is how the mark appears on the packaging of relevant products. Several trade marks were rejected by the TMCH when this was the case.

Trademark holders also faced some difficulties in obtaining and submitting copies of registration certificates for trademarks. Certificates were required when there was no online trade mark database available that could be used to verify the trademark in question. The issues encountered include difficulties in translating the certificates, in particular, class descriptions. The problem was exacerbated by the TMCH requirement to provide registration certificates of underlying marks for trademarks registered at WIPO through the Madrid Protocol. Overall, **MARQUES** members consider that the requirement was too onerous.

Finally, explanations given by the TMCH staff as grounds for not being able to verify a trade mark were not always clear and consistent.

**ii. Were there any challenges related to marks from specific jurisdictions in relation to the Clearinghouse guidelines?**

For trademarks registered in South Korea, an issue regarding a discrepancy between the trademark registration number on registration certificates and online trademark records caused some of the submissions to be refused by the TMCH.

As referred to above issues were also encountered generally with the ability of the TMCH to recognise and deal with marks in non-Latin scripts, such as Chinese and Cyrillic.

**iii. What factors could make the trademark verification process more effective?**

TMCH staff would benefit from training on the practices of some of the more complicated trademark registers, or alternatively to having access to local advice. Most of the issues faced could be resolved by some basic knowledge of the jurisdiction in question.

Comments and explanations from the TMCH staff should be made clearer. In some cases, where a mark was rejected by the TMCH staff it was difficult for the trademark holders to understand the error in question, thus requiring further correspondence to try to establish what the issue was, or even preventing the trademark holder from remedying the problem altogether. For example, one of our member's application was rejected as they filled the required dates in the UK format, instead of the US format. Instead of stating the exact problem, the rejection message just pointed to an error in the date field.

**iv. What were the challenges, if any, in terms of satisfying the proof of use requirement?**

In a number of instances, the samples of use submitted were not acceptable by the TMCH because the samples included extra text in addition to the full text of the trade mark. We understand that the TMCH must ensure that the sample demonstrates genuine trade mark use and not coincidental use of a mark within a sentence. Most genuine use of a trade mark on products or marketing materials, however, does not involve that trademark being used entirely in isolation, but rather accompanied by other text. With a more comprehensive review and local language skills, genuine trade mark use could readily be confirmed.

**v. What factors could be considered to make this process more effective?**

A more thorough review conducted by the staff who apply basic principles of trademark law and have the relevant language skills would make the verification of proof of use more effective.

**vi. Do you think Trademark Clearinghouse has been effective in restricting eligibility to the trademarks of legitimate trademark holders? Have you detected any gaming of the Clearinghouse verification process? If so, could this be prevented by modification to the verification standards?**

**MARQUES** members have not encountered any gaming of the verification process.

**vii. What, if any, other changes to the Clearinghouse would improve its effectiveness and increase your use of it?**

The attractiveness of the TMCH for trademark holders is impacted by a number of issues such as the cost of recordal, inadequacy of the remedies afforded by the RPMs and ambiguity of the wording used in the Registry Agreement and RPM Requirements such that they are open to interpretation by registry operators seeking to circumvent the RPMs.

In terms of the cost, the general view of trademark holders is that the price of recordal in the TMCH is too high especially considering that trademark holders then also have to incur the costs of the Sunrise registrations themselves. To improve the cost-effectiveness of the TMCH for trademark holders the following should be considered:

- (i) introduction of different TMCH providers able to input verified records into the trademark database;
- (ii) pricing incentives for longer registration periods;
- (iii) improving the effectiveness of the available RPMs; and
- (iv) registry operators should not be permitted to charge Sunrise registration fees that are significantly higher than general registrations, such that the fee level operates to effectively circumvent the RPMs.

In terms of the effectiveness of the verification process, more thorough reviews should be conducted by staff members who are competent in the language of the relevant trademark jurisdiction. In their communication with the applicants, the TMCH staff should be clear and concise with regard to the issues with the trademark submissions.

## **2. Sunrise Period**

**MARQUES** members have registered domain names corresponding to their trademarks during the Sunrise Periods of new gTLDs that they considered are relevant to their business sectors.

### **i. How effective is the Sunrise period for protecting intellectual property rights?**

The Sunrise Period is a helpful mechanism to protect registered intellectual property rights but its effectiveness is diminished by the fact that a Sunrise registration is only available for domain names which are considered to be an “identical match” to the trademark. Because of this limitation, domain names which include the trademark and contain extra generic text can be registered by third parties abusively. In addition, under the current rules, new gTLD registry operators are able to undermine the Sunrise Period by applying prohibitive “premium” pricing and by reserving names that would otherwise be eligible for a Sunrise registration. Whilst not every registry operator has chosen to do this, many trademark owners have encountered these problems.

### **ii. What were the challenges, if any, in terms of registering a domain name during the Sunrise period?**

The main challenges faced during the Sunrise Period were the reservation of trademarks and their designation as premium names by the new gTLD registries. Trademark holders that have recorded their trademarks at the TMCH have the reasonable expectation of making use of the primary function of the TMCH, which is the ability to register during Sunrise Periods. Recording trademarks at a substantial cost in the TMCH and finding that the corresponding domain name cannot be registered during Sunrise or it can be registered only at a very high price has been very frustrating for trademark holders.

### **iii. What factors can be addressed to make Sunrise processes more effective?**

Since one of the main reasons for the introduction of the TMCH was to enable trademark holders to register their TMCH-verified trademarks across all new gTLD registries of interest, the Sunrise process must be better regulated to prohibit actions which are calculated to

circumvent it. In particular, the registry operators should not be able to reserve terms corresponding to trademarks from registration and then release them to third parties. When reserved names are released, the holder of the corresponding TMCH-verified trademark should have the right of first refusal. Also, the registry operators should not be able to designate TMCH-verified trademarks as premium names and sell them at much higher prices than regular Sunrise registrations in circumstances where it is the very fact that the term is a trademark which has given it a premium value for the registry in question. Building in a formal mechanism for challenge of such registry actions would also be beneficial.

**iv. Did having a set of Sunrise minimum requirements across TLDs provide for increased efficiencies in registration processes? Were there advantages and disadvantages to the required Sunrise for rights holders?**

Having a set of minimum Sunrise requirements and streamlining the process via SMD files increased the efficiencies to an extent. However, Sunrise Periods have not always provided adequate trademark protection due to the “identical match” rule and registry operators’ ability to diminish the value of Sunrise Periods by high pricing strategies and reserved names. On balance, for some trademark owners, the benefit in terms of the efficiency achieved was outweighed by the cost of satisfying the minimum Sunrise requirements (i.e. recording trademarks in the TMCH). It was also not always easy to find readily available information about specific Sunrise launches – the Registry launch pages on the ICANN website were not always up to date and registry launch plans changed at the last minute, making it difficult for trademark owners to reach informed decisions as to the best protection strategy.

**v. Is there an appropriate balance of registry discretion to reserve names from registration and the inclusion of names in the required RPMs? Should additional considerations be applied around registry allocation practices and their interaction with the required RPMs?**

As referred to above, there is not an appropriate balance as the current rules allow the registry operators to reserve any names and release them at a later date for registration. When reserved names are released after the Sunrise Period has ended, registry operators do not have to run an additional Sunrise Period for these names, they can register these names to a third party subject to Trademark Claims only. This has the capacity to completely undermine the Sunrise Period as it gives the registry operators full discretion to withhold certain names, which could include trademarks recorded in the TMCH, from the Sunrise Period. To increase the effectiveness of the Sunrise Period as an RPM, reserved names that match a trademark in the TMCH must be offered to the owner of that trademark first at the time they are released. This would also enhance the advantages of a TMCH recordal.

**vi. Were Limited Registration Periods a useful part of registry launch processes?**

Limited Registration Periods were useful as they provided an additional avenue for rights holders to protect their rights that are not eligible for a Sunrise registration in certain circumstances.

**vii. What were the challenges, if any, in terms of registering domain names during Limited Registration Periods?**

It would be helpful if Limited Registration Periods were announced more widely with all the details and applicable criteria. Trademark holders were often unaware of Limited Registration Periods and whether or not they would qualify under them.

**3. Trademark Claims**

**MARQUES** members have received notices of registration of a domain name matching their trademarks (the Notice of Registered Names) and found the Trademark Claims a useful service overall, although the fact that notices are only sent in respect of a domain name that is an “identical match” to the trademark recorded in the TMCH and the limited length of the period during which the notices are sent to potential registrants were factors that diminished its effectiveness.

**i. How could the Claims service be improved?**

Under the current rules, the Trademark Claims service must only be provided during the first 90 days of the date domain names are made available to the public generally. This mandatory 90-day Trademark Claims period seems arbitrary. To increase the value of the Trademark Claims service, registrars should send Trademark Claims notices to potential registrants indefinitely. In addition, there have been concerns that where some registrars have offered “pre-registration” services (the name is reserved to an applicant in advance, and then automatically allocated to them at the end of the Sunrise if no Sunrise registration is made), they may not have been submitting full Trademark Claims notices at the time of registration of the domain name. Finally, the registrant details should be included in the Notice of Registered Names to enable trademark holders more easily to make an informed decision on how to proceed.

**ii. How useful are extended Claims services?**

The Extended Trademark Claims service offered by the TMCH has been partially useful since it only performs half of the function of the Trademark Claims service, by sending the Notices of Registered Names to the trademark owner but not the Trademark Claims notice to potential registrants. For a more effective solution, the Trademark Claims services must be provided as a mandatory RPM indefinitely.

**iii. How clear is the Notice of Registered Names to the trademark holder? Is there any other piece of information that should be included in the Notice of Registered Name?**

One of the main shortcomings of the Notice of Registered Names is that they do not include the registrant information. As this information is publicly available on Whois records, **MARQUES** members can see no reason not to include this in the notices. Finding the information through a Whois search is not always straightforward as some registry operators make the function difficult to find on their websites.



**iv. Did the Notice of Registered Names help trademark holders decide on next steps?**

The only information provided in the Notice of Registered Names is the registered domain name along with the date and time it was registered. Although this enabled the trademark holder to check whether the domain name hosts infringing content, the trademark holder had to check the Whois information separately to find the owner of the domain name and to be able to decide whether it is a legitimate or infringing registrant.

**4. Uniform Rapid Suspension (URS)**

The URS has, so far, not been a widely used dispute resolution procedure among the **MARQUES** members. The main reason for low adoption rate of the URS as a trademark protection strategy is that the remedy of suspension as opposed to transfer is not a satisfactory outcome under most circumstances.

**i. How effective is this service in providing a quick and low-cost process for addressing infringement?**

Although the URS is quicker and less expensive compared to the Uniform Domain Name Dispute Resolution Policy (UDRP), the only available remedy it provides to a successful complainant is the suspension of a domain name which means that the domain name would become available again once the registration expires and could be re-registered by a third party. Considering that the complainant must pay a minimum of \$375 per complaint, the available remedy does not make it attractive for many trademark holders.

**ii. What factors could be addressed to make the URS more effective?**

To increase effectiveness, the URS should be provided at cost or alternatively on the basis of a loser-pays model. For the bad-actor registrant the existence of the URS does not offer any particular deterrent to registration. Even if they do not respond to the complaint there will still be a full assessment on the merits, and in most cases they pay no fee to file a response. If they lose the URS, their only loss is the cost of the domain registration. In addition, the URS should offer a perpetual block or transfer of the domain name to the successful complainant.

**5. Additional RPMs**

Aside from the mandatory RPMs, some of the registry operators offered Domains Protected Marks Lists (DPMLs) which provide eligible trademark holders with a block across the TLDs operated by that registry. In general, trademark holders found the DPMLs useful and cost effective. As a result, certain trademark holders used DPML blocks in preference to Sunrise registrations, where available. However, as the DPMLs were offered at the initiative of the individual registry operators, they had some critical shortcomings. The most obvious of these, of course, is that not every TLD is subject to some form of blocking option, and there is no single option across all of the TLDs who offer a DPML. Instead, trademark owners would potentially need to take out multiple blocks. In the case of Donuts, with a large number of anticipated TLDs, the DPML was viewed by many as a relatively cost-effective model for

protecting their trademarks. The DPMLs of some other registry operators, however, with fewer TLDs in their portfolio, may have been less attractive for some trademark owners.

Other shortcomings encountered by trademark owners relate to specific registry operator DPMLs. For example, Donuts' DPML which is the most commonly used DPML among trademark holders, does not provide a block for a term that is listed as a premium name. As the registry operator is able to designate which terms are premium names at any time, and these may include terms that correspond to trademarks, the holders of those trademarks have found that either their trademarks do not qualify for a DPML block or, worse, that the DPML block that they purchased was not in effect across some TLDs and the domain name had been registered by a third party.

The DPML shares many similarities with the Globally Protected Marks List (GPML) recommended by the original Implementation Recommendation Team (IRT). ICANN concluded that the GPML was not practical, but the implementation of registry-specific RPMs demonstrates that some form of pan-gTLD blocking mechanism would be a workable solution for the protection of the rights of trademark owners. ICANN should give consideration to the possibility of (i) adopting a domain name blocking mechanism as a mandatory RPM for all new gTLD registries in future rounds; and (ii) requiring that registry operators offering DPMLs remove terms corresponding to TMCH-verified trademarks from their premium names lists if the term is requested by the legitimate owner of the mark, subject potentially to some assessment of whether the mark is descriptive in the context of a specific TLD in order to address concerns about the potential for gaming.

We thank you for your kind consideration of the above comments.

Yours sincerely,

Submitted on behalf of **MARQUES**

This 24<sup>th</sup> day of April 2015

Signed on behalf of Michael Zoebisch,  
Chair of **MARQUES** Cyberspace Team