

In response to the ICANN Board letter to the GNSO Council, and the GNSO Council resolution requesting formal constituency responses, the Noncommercial Stakeholder Group (NCSG) hereby submits a response to the specific questions and the larger Clearinghouse and URS issues.

I. The Board has requested GNSO Council's view on whether staff-proposed rights protection measures – a Trademark Clearinghouse and a Uniform Rapid Suspension process – are “consistent with the GNSO's proposed policy on the introduction of new gTLDs, and are an appropriate and effective option for achieving the GNSO's stated principles and objectives.” The NCSG believes that the GNSO can reach consensus around implementable mechanisms for each of these, but not in the forms currently proposed.

Toward that end, the NCSG articulates these preliminary issues and principles:

Trademark Clearinghouse (TMC)

- **NCSG opposes the creation of a broad “intellectual property” clearinghouse, concerned about expansion of its uses beyond the rights it documents. We can support a well-defined Trademark Clearinghouse with objective standard criteria for listing and subsequent use.**
- 1. Criteria for inclusion in the Clearinghouse – NCSG supports limitation of the clearinghouse to registered marks, from national systems that require some examination before registration. NCSG opposes the incorporation of common law marks in the Clearinghouse.
- 2. Regional qualification – NCSG believes that regional assessment will be needed to assure that the rights recognized by varying national trademark regimes, and the rights reserved to the public, are properly represented in the clearinghouse.
- 3. Limitations on use – The clearinghouse should be clearly limited in use to initial sunrise or IP claims challenges; presence of a mark in the database should be clearly indicated to have no adverse effects on a domain registrant who has other rights or legitimate interests in the same mark.
- 4. Non-chilling of registrants – In order not to chill legitimate registration of non-infringing domain names, notices of TMC matches given to the registrants should be crafted to indicate rights and defenses they may assert.
- 5. Issues of IDNs – NCSG would like to point to the absence of provisions concerning how the Clearinghouse will address the very important issue of IDNs and trademarks registered under the non-latin script.
- 6. Other issues as expressed and shared under the NCSG column in the Common Grounds document.

NCSG Position and Principles:

While we believe that the best place for trademark clearing is outside of ICANN altogether, if we must have a TM Clearinghouse, the rules must be explicit as to its limits, including limitations for its use and protections for and rights of the Registrant:

- The Clearinghouse must not expand the bundle of rights created by national trademark laws (either explicitly or in effect).
- Registrants must not be dissuaded from registering domain names to which they have a right or would otherwise be entitled.
- The Clearinghouse should minimize Chilling Effects.
- A clearer trademark claims process and sunrise period is required.

Uniform Rapid Suspension System (URS)

- **NCSG opposes a “rapid suspension” positioned as an end-run about the UDRP. We can support a rapid suspension process narrowly focused on undisputed cases of trademark infringement, provided there are in place safeguards including adequate due process and appeals for registrants whose names are challenged.**
1. Notice to registrant – NCSG supports a well-defined process for addressing the rare “clear cases of infringement,” by which a trademark holder can file a streamlined (possibly form) complaint which gives the registrant adequate notice of grounds for response and that his/her domain name may be suspended if it is found to infringe.
 2. A 3-person Examining Team. This group will not necessarily work together, but will include an attorney with trademark expertise, an attorney with fair use expertise, and an academic or technical individual with Internet and DNS expertise. A vote of 2 out of 3 independent evaluations decides the case.
 3. Rotation among the providers. The forum-shopping which exists within the UDRP must be eliminated within the URS by a rotation of URS providers.
 4. Appeals – NCSG believes that an appeals process within the URS system must exist to regularize it and make it more fair to trademark holders and registrants alike.
 5. Effects of default – All cases, including defaults, should be examined for their prima facie adequacy and factual accuracy before suspension may be ordered. Since many registrants may fail to receive timely notice or lack the resources to respond, NCSG suggests that the registrant be permitted to re-open a defaulted proceeding for de novo review.
 6. Providers – Providers should be under contract with ICANN, such that ICANN can oversee and audit their compliance with the URS policy and rules.
 7. Effects of decision – Many aspects of the proposed suspension need to be reviewed for their effectiveness, appropriate limitation to the complained

of conduct, any chilling effect, and lack of unintended consequences. In particular, we suggest technical review of the effects of suspension on non-Web uses of domain names.

8. Other issues as expressed and shared under the “NCSG” column in the Common Grounds document.

NCSG Position and Principles:

- Due Process
- Assumption of innocence and good faith
- Right to respond
- Inexpensive and fair process for all types of TM holders, including noncommercial TMs as well as for registrants
- Clear definition of the basis for complaint – cases of “clear-cut trademark infringement”
- High burden of proof
- Registrant rights
- Process should not be more burdensome nor expensive for the respondent, than it is for the complainant.

II. Questions in Board’s letter of October 12th

Board Questions below are shortened and slightly paraphrased for space reasons.

1. Is there a Chilling Effect from the TM Claims pre-registration process? Absolutely there is a Chilling Effect on domain name registrations when a Registry/Registrar contacts a registrant before the domain name registration is made, even if only to “notify” that a trademark claim has been made on the string to be registered. An ordinary domain name applicant in the new gTLDs will not be familiar with the nuances and technicalities of trademark law and will certainly not know the International Classes of goods and services, the nuances of a disclaimer, e.g., a word or phrase which is generic, and the limitations of the claim being made if it is not clearly laid out and defined.

The best way to prevent the chill is to continue with the “first come, first served” registration process of the original gTLDs, with no trademark pre-registration notification.

2. Should the Clearinghouse be separate and independent? ICANN should not be in the business of running private-interest databases. The market has shown that Clearinghouses can operate in a private, market driven manner. This is one in which ICANN need not get involved. It is inappropriate to pass this cost and burden on to Internet users and the public (via ICANN) when it is a private economic interest that is being protected (trademark rights).
3. Is Clearinghouse use optional or mandatory for new registries? Use of

any clearinghouse that may be developed should be optional, as ICANN Staff has recommended. As to whether the registry must provide something “as effective or better,” the answer is clearly “No,” without any recognized measure of “effective.”

Use of a Clearinghouse may or may not be useful or efficient for given new gTLD, and that the decision is a choice for the Registry to make. For example, if a Registry designs its operations to support commentary, criticism, noncommercial speech, and/or fair use, there may be:

- no need to specially protect large trademark owners;
- no need to scare away potential registrants; and
- a specific need to open the space to newcomers (picture a .CRITICISM new gTLD).

4. Should the Clearinghouse requirements be applied to existing registries? No. The Clearinghouse requirements have not gone through any PDP process. Further, since they are applying only to pre-launch mechanisms, it makes no sense to apply them to existing gTLDs. That question is entirely outside the scope of this process.
5. How should liability be handled for false positives or negatives? This question gets to the heart of why the Clearinghouse should not be mandated. Like any process, a pre-notification mechanism is subject to error, and those errors bring costs and disputes over who bears the costs. It is unfair to ask any participant to assume these unknown risks. No assumptions of absolute accuracy can be assumed – or made to the public. Nor should specific interpretations of the data be presumed. The public must be told that mistakes can, and will, be made, and that the information provided by the Clearinghouse, is only data and one part of a decision to be made in the registration of the domain name.
6. Who assumes the cost of the Clearinghouse? Its primary users and the interest it is intended to protect, the TM holders. The reason for the Clearinghouse’s existence, as we have been told for months, is to provide an efficiency of registrations for TM holders. Accordingly, the cost of placing the national TM registration in one database versus 500 databases provides efficiency and limiting of cost. TM owners should find a single registration fee, even one covering all costs, to be a reasonable administrative expense. As this is a cost to protect a specific private interest, trademark holders, that interest should pay for it, as it will benefit from it.
7. How would the Clearinghouse be used? The Clearinghouse should accommodate ONLY nationally registered trademark rights, should not extend to the other IPR or other rights or other information and should constitute an efficiency measure. Providing discretion to the Clearinghouse, allowing registries to determine the kind of information that might be listed or accepting other IP-related rights, is not efficient, but complicated; we risk creating an entity that is incoherent with

inconsistent data and cross-purposes. The Clearinghouse should be a point of reference; neither ICANN and its contracted registries nor trademark owners should be able to interfere with the Clearinghouse. Its mandate should be limited to provide information to potential registrants and operate as an efficiency mechanism. As soon as efficiency gets replaced by complexity and arbitrariness, the justification of the Clearinghouse is gone. Registries should have the option of using it for Sunrise or IP claims processes, or not at all. The IPC has described some mechanisms Registries might opt to adopt in its "Perfect Sunrise" pamphlet.

8. The Clearinghouse should be only used for nationally registered marks, and then, only text marks, to the extent it is used at all.

III. NCSG Concern about Board/Staff understanding of the GNSO policy development process.

In the October 12th letter, the Board characterizes the earlier work of the GNSO inaccurately.

According to the Board letter,

"During the policy development process, the GNSO formed a working group to consider protecting the rights of others at the second level - but consensus was not reached on a common solution and the final policy recommendation was general in nature. The working group identified some guidelines for how a solution should be designed."

According to our members, including former GNSO Council Chairman Avri Doria, the findings of the Working Group were much clearer:

"There ***was consensus that there were to be no required RPMs*** [Rights Protection Mechanisms,] only a set or recommended options."

To that end, both the Clearinghouse and URS should be completely optional mechanisms, and not even labelled as "best practices."

Ultimately, the Working Group was solicitous that ICANN should not be engaged in restrictive market regulation, but should make room for a profusion of new gTLDs, new ideas, new forums of communication and new business models – and the "wide variety of registry services business models" to come.