

**Comments of the Intellectual Property Constituency ("IPC")
to the Proposal for Trademark Clearinghouse Revised – February 2010**

The IPC welcomes the opportunity to comment on the Proposal for Trademark Clearinghouse Revised – February 2010 (the "Revised Proposal"). The IPC appreciates the considerable work done by ICANN staff, the Special Trademark Issues ("STI") Review Team and the Implementation Recommendation Team ("IRT") with respect to the Trademark Clearinghouse concept.

I. Trademark Clearinghouse Proposal.

As mentioned in the IPC's comments to the 11 December 2009 Special Trademark Issues Review Team, it is important for the Board to recognize that the Trademark Clearinghouse is not, in and of itself, a rights protection mechanism ("RPM"). It is a database that, if properly implemented, should significantly lessen the administrative and resource burden on intellectual property owners participating in rights protection mechanisms ("RPMs") in each new gTLD. Unfortunately, the efficiencies and useful protections that the original Trademark Clearinghouse concept afforded have been greatly reduced by the Revised Proposal. The apparent concerns driving such revisions are a result of viewing the Trademark Clearinghouse only as a part of the Sunrise Registration Process. On the contrary, the Trademark Clearinghouse was intended to achieve greater efficiencies and reduce cost in implementing a variety of RPMs by a) assembling a database that would be useful in multiple contexts, b) avoiding duplicative assembly and submission of rights information in multiple proceedings, c) avoiding duplicative adjudication as to the presence and validity of a particular right (not whether it is applicable in a particular case) because that validation will have been performed during inclusion in the Clearinghouse. In fact, use of the Trademark Clearinghouse in the URS may be a key element to that mechanism achieving resolutions quickly and with moderate cost to all parties involved.

However, the Trademark Clearinghouse as initially envisioned would serve as a repository of a broad spectrum of intellectual property rights that would allow for a wide-range of possible uses beyond only Sunrise Registration Processes. Under this concept, the Trademark Clearinghouse was intended to contain not only registered marks, but also design marks, stylized word marks, common law trademarks, trade names, famous personal names, titles, etc. The IPC agrees that there should be minimum requirements for marks participating in a Sunrise Registration Process. However, the requirements for participation in a particular RPM will vary and need not dictate overall inclusion in the Trademark Clearinghouse. For some of the Trademark Clearinghouse's other potential uses (notices, watch services and URS/UDRP Proceedings) there is no risk in including a broad range of intellectual property rights or allowing for non-identical matches. Additionally, viewing the Trademark Clearinghouse only as a database for the Sunrise Registration Process reduces its value to the very population that ICANN intends will pay for the Trademark Clearinghouse; namely, "the parties utilizing the services." As a result of likely small demand for a narrow database tailored to only two RPM schemes, costs for the service will increase, which may disproportionately impact smaller businesses that have limited resources for participation in such RPMs.

A. Clearinghouse Eligibility Criteria.

Far from building a resource that could be a useful piece of the ‘infrastructure’ of helping to prevent abusive domain name registrations, the Revised Proposal suggests a Trademark Clearinghouse Database that includes only national or multi-national registered "text marks" from all jurisdictions, including countries where this is no substantive review; and any text mark that has been validated through a court of law or other judicial proceeding. These criteria reflect what the IRT Report suggested might be the minimum standards for RPMs.¹ The suggested minimum standards consist of either a Sunrise Registration Process or a Mandatory Pre-Launch Claims Service. There is no restriction that other RPMs can be adopted by registries.

1. All Common Law Marks Should be Included.

As discussed earlier, with respect to certain RPMs such as the Trademark Claims Service, the Clearinghouse should be free to accept a broad range of intellectual property rights, including common law trademarks that have not been "court-validated." Existing TLD registries were able to implement and verify eligibility requirements for design marks and common law marks. Moreover, under the Trademark Claims Service process, since the brand owner does not receive notice that one of its marks has been matched until after registration, no threat of intimidation is posed.

Limiting the inclusion in the Trademark Clearinghouse to only registered trademarks or court-validated common law marks misses the database's original concept. Extending protection to common law marks that are substantively authenticated would facilitate uses of the Trademark Clearinghouse contemplated by the IRT Report to streamline the offering and evaluation of proof in other rights protection mechanisms, such as the UDRP (and other domain name dispute resolution policies) and URS, that allow claims for relief based on common law rights. In fact, the IPC believes that Trademark Clearinghouses Data Authentication Guidelines provide sufficient protection to allow inclusion of a common law marks for use in all RPMs; provided, that the owner has gone through the process of demonstrating the existence of a common law mark and validation of such claims through substantive examination by the database's regional authentication service providers. At a minimum, registry operators should be permitted to include such marks in their rights protection mechanism, and, in order to do so, will need the data about those rights in the Trademark Clearinghouse. The IPC is not taking the position that all common law marks in the Trademark Clearinghouse must be included in a Sunrise Registration Process. These marks can be screened from inclusion in such processes. The IPC position is that common law rights may be useful for other RPMs and that the registry operators should be permitted to respect such marks in their pre-launch rights protection mechanisms.

2. Design Marks Should Not Be Excluded from the Trademark Clearinghouse.

The IPC reiterates its position that the proposed exclusion of design marks from the Trademark Clearinghouse will adversely and disproportionately, impact small to medium enterprises and

¹ IRT Report posted at <http://www.icann.org/en/topics/new-gtlds/irt-final-reporttrademark-protection-29may09-en.pdf>, Section 6, Standard Sunrise Registration Process.

non-profit organizations that do not have financial resources necessary for registering numerous iterations of their marks. The Revised Proposal states a "core function" of the Trademark Clearinghouse will be to authenticate that its data meets certain minimum criteria, including a recommendation that the Trademark Clearinghouse employs regional authentication service providers for such validation services. Since expert review of the intellectual property rights being registered into the Trademark Clearinghouse is required, the IPC asserts that the Trademark Clearinghouse will have the processes in place to analyze and include (if certain criteria are met) more than only non-text marks in the database. Again, ICANN's apparent concern with non-text marks is not with the collection of the data, but with the impact of its use on a Sunrise Registration Process. The IPC's position is that non-text marks should not be excluded from the Trademark Clearinghouse. Like non-court validated common law marks, these marks can be screened from inclusion in certain RPMs. The IPC supports inclusion of non-text marks in either a Sunrise Registration Process or a Trademark Claims Service and would further note that the launches of .eu, .asia, .mobi and .tel demonstrate that the complexities of these processes are not insurmountable.

B. The Trademark Clearinghouse Should be Structured to Report More Than Identical Matches.

The Revised Proposal states that the Trademark Clearinghouse notice or sunrise registration procedures apply only to "identical matches."² The IPC believes that the data contained in the Trademark Clearinghouse should have broader application, as described in the STI report and the minority reports of the Business Constituency and At Large Advisory Council. Such a restrictive definition provides little practical protection to brand owners as most examples of malicious conduct or cybersquatting involve a domain name consisting of a trademark plus a generic or descriptive term. To provide adequate protection, the IPC asserts that brand owners should be able to submit their trademarks paired with a descriptive term. A similar process had been successfully implemented in the past by a registry allowing registrants to submit a list of marks including other words contained in the Nice classification(s) of the mark's registration.³ At a minimum, a match should include plurals of and domain names containing the exact trademark. Absent the ability to move beyond an exact match, brand owners will be faced with expensive enforcement actions and defensive domain name registration and consumers will undoubtedly continue to be misled all of which impacts the stability and security of the Internet.

II. Conclusion.

² "Identical Match" as defined by Section 4.3 of the Recommendations 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."

³ See .ASIA sunrise policy. <http://www.dotasia.org/policies/DotAsia-Sunrise-Policies--COMPLETE-2007-08-10.pdf>

The IRT report was clear in its recommendation that the database, which at that time was called the IP Clearinghouse, should contain a "panoply" of rights, such as "unregistered trademarks, company names, trading names, designations of origin, geographical names, family and personal names, etc."⁴ The IPC believes that narrowing of this database by the Revised Proposal to including only registered trademarks and court-validated common law mark is driven solely by requirements of this data to be utilized in a Sunrise Registration Process. Moreover, a limitation to only exact matches does little to provide protection against a majority of the cybersquatting and malicious uses of domain names. In sum, the IPC urges ICANN to continue to work on crafting minimum requirements for the Sunrise Registration Process and Trademark Claims Services to provide protection for the public and brand owners. However, the ultimate requirements for participation in these RPMs need not limit the types of data contained in the Trademark Clearinghouse that may be used in other RPMs adopted by registries.

⁴ IRT Report available at <http://www.icann.org/en/announcements/announcement-4-29may09-en.htm>