International Trademark Association
Representing Trademark Owners Since 1878

Comments of the Internet Committee of the International Trademark Association (INTA) on the "Proposal for Trademark Clearinghouse – Revised February 2010"
April 1, 2010

The Internet Committee of the International Trademark Association ("INTA") appreciates this opportunity to provide its comments to the Internet Corporation for Assigned Names and Numbers ("ICANN") on the Proposal for Trademark Clearinghouse – Revised February 2010.

I. Process Concerns

As of the April 1 due date of this submission, ICANN has issued nineteen separate topics for public comment, with nine topics closing for comment on the same day. This overload of information, especially under the short deadlines, has significantly curtailed the public's ability to provide meaningful evaluation and input on the issues under consideration. The Committee continues to strongly encourage ICANN to reassess and restructure its public comment process to enable it to adequately consult the public as it is required to under the Affirmation of Commitments.

II. Introduction

At the outset, it is critical to note that the current "Proposal for Trademark Clearinghouse – Revised February 2010" actually discusses two separate topics: a) the establishment, operation and scope of the Trademark Clearinghouse ("TC") itself; and b) the use of TC data in two particular Rights Protection Mechanisms ("RPMs"), namely the Trademark Claims Service and the Sunrise Registration Process. Specifically, the question of what rights may be cataloged in the TC is totally separate from the question of what rights should be eligible for use in these RPMs. To say that a particular category of right should be included in the TC is not to say that owning such a right should make one eligible for the Trademark Claims Service and Sunrise Registration Process.

The TC, formerly the IP Clearinghouse, is not itself a substantive Rights Protection Mechanism ("RPM"). Rather, it is a tool to enable various RPMs, including both the Sunrise, Trademark Claims Service mentioned in the proposal, and should be used to enable other RPMs like the URS, UDRP and post-Sunrise applications in gTLD registries. As such, the TC should have maximum flexibility to include different categories of trademark rights and should be a floor, not a ceiling. This will not only increase efficiencies but also decrease costs for all parties involved (i.e., registries, registrars, registrants, consumers, and ICANN). Given the uncertainty as to the number of new gTLD applications that will proceed to delegation, such efficiencies and cost-saving measures could be critical.

To realize fully its potential utility, the TC should support post-launch RPMs as well as applications and notice during Sunrise periods. The trademark rights needed to support claims made under one RPM, such as a UDRP, are likely to be different from the trademark rights needed to support claims under another RPM, such as a Sunrise period. Moreover, based on

experience in the existing gTLDs, we can safely predict that some proportion of future gTLD registries will recognize a broader spectrum of trademark rights than those that would be accepted by the TC currently proposed by ICANN. In order to accommodate the widest possible range of uses, the TC should serve as a repository of the broadest spectrum of trademark rights. It should accept all forms of trademark rights, including trademark registrations with and without substantive review, marks with stylization and/or design elements and both verified and unverified common law rights.

In contrast, when considering the rights that should be eligible for a Sunrise Registration Process or Trademark Claims Service, there should be minimum requirements that registries must accept certain trademark rights (for example, registrations of national effect for the identical text mark on registries that conduct "substantive review," assuming that terms such as "text mark" and "substantive review" are properly defined). However, the TC should also serve as a repository for other forms of trademark rights, so that registries that wish to acknowledge broader trademark rights can use the TC to do so. To do otherwise would reduce the potential utility of the TC and, consequently, the incentive of registrants and registries to utilize it. This will especially impact smaller businesses that have limited resources for RPMs.

III. Criteria for Inclusion in the Clearinghouse

Section 4 of the Proposal outlines the criteria for inclusion in the Clearinghouse. We agree that clearly defined standards of inclusion are necessary, but believe the Proposal is too narrow as it will exclude many legitimate forms of trademark rights.

The Proposal limits trademark rights that may be registered in the TC to: (a) nationally or multi-nationally registered "text mark"[1] trademarks from all jurisdictions, including countries in which there is no substantive review; and (b) any text mark that has been validated through a court of law or other judicial proceeding. In this context, it is important to note that the Proposal adopts the ***minimum*** standards for RPMs specified in the IRT Report.[2] The suggested minimum standards consist of either a Sunrise Registration Process or a Mandatory Pre-Launch Claims Service.

A TC that accepts only narrow categories of trademark rights will not realize the original concept of the IP Clearinghouse. While it would be reasonable to limit the trademark rights accepted during a Sunrise Registration Process without adequate validation mechanisms to registered trademarks and court-validated marks, other types of RPMs, such as the Trademark Claims Service, could logically accommodate a much broader range of trademark rights, such as registrations containing design elements, stylized marks, common law trademarks, and even

[1] There is no generally accepted definition of what constitutes a "text mark." In some jurisdictions, there are delineations of the types of trademark registration, such as "standard character" marks and "design marks," but there is no universal standard for what constitutes a "standard character" mark either. For example, in the United States, even a mark in stylized-lettering with no design elements would not be considered a "standard character" mark. Therefore, even if ICANN were to provide a clear definition for "text mark," a Regional Validation Service Provider would have to conduct an independent review to determine whether the definition is met in each case.

[2] Please refer to the 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.

related rights such as trade names, famous personal names or titles.[3] Likewise, existing TLD registries have been able to implement and verify eligibility requirements for design marks and common law marks both during and after Sunrise periods. There is no valid reason why the TC should not support those elements and RPMs as well.

Extending protection to common law marks would facilitate uses of the TC contemplated by the IRT Report to streamline the offering and evaluation of proof in other RPMs that allow claims for relief based on common law rights, such as the URS and other domain name dispute resolution policies. Once a common law trademark owner has gone through the process of demonstrating the existence of a common law mark and validating that mark through the TC process, it should be included in the TC for future gTLD launches.

Many trademarks are protected worldwide solely by registrations that include both a word element and a design element, as separate registrations for the design mark and the text mark would be prohibitively expensive, and registrations for the composite of the design and words may extend protection to the word elements as well. Given this reality, we believe that the most equitable process is for the TC to include the textual elements found in design marks, provided that the mark sought to be included (i) is not a generic term and (ii) is presented in a prominent manner and can be clearly identified and isolated from the design element. This proposal is similar to the policy implemented by .ASIA.[4]

In sum, ICANN proposes that a "core function" of the TC will be to authenticate that its data meets certain minimum criteria, including a recommendation that the TC employs regional authentication service providers for such validation services. Since expert review of the IP rights submitted to the TC will be required, there is no valid reason why the TC should not house a broad range of trademark and other related rights. To the extent that ICANN is concerned that such rights will be abused, ICANN should develop appropriate mechanisms to guard against such abuses, rather than exclude them altogether.

IV. Use of the TC to Support Post-Launch Trademark Claims

While the Proposal does not expressly prohibit use of the TC to support Post-Launch Trademark Claims, it does not expressly endorse or require use of the TC for such purposes either. We join the Business Constituency ("BC") and At-Large Advisory Committee ("ALAC") in calling for ICANN to strongly encourage the most robust and efficient use of the information contained within the TC. Specifically, we believe the TC must be used to support Post-Launch RPMs, and have seen no evidence to suggest that this is not technically feasible. To the extent ICANN refuses to extend the TC in such a manner, the Committee urges ICANN to articulate with specificity its reasoning for refusing to do so.

To ensure adequate consumer protection, all new gTLD operators should be required to provide some type of rights protection mechanism after launch, and the TC can be an invaluable source of information to be relied upon in any such mechanism. A mandatory rights protection mechanism operating throughout the life of a registry will assist in avoiding many of the costly and time-consuming disputes caused by the registration of domain names that infringe or dilute

[3] The ability to assert a broader range of IP rights under the Trademark Claims Service process would not have any chilling effect, since the brand owner does not receive notice that one of its marks has been matched unless and until registration has occurred.

[4] http://www.registry.asia/policies/DotAsia-IDN-Sunrise-Policies-DRAFT--2009-12-11.pdf.

the trademarks of others. Similarly, a continuing RPM such as the Claims Service can serve to thwart cybersquatters by forcing them to make express representations about their legitimate rights in the domain name that, if false, will strengthen a complainant's claim under the UDRP or URS,[5] while making a more effective and efficient use of the TC.[6]

Another proposed RPM that could utilize the TC and effectively prevent or significantly deter abusive domain name registrations is the Globally Protected Marks List ("GPML") outlined in the IRT recommendations and overwhelmingly requested and supported as a key RPM by the public in the public comments to DAG v1. Unfortunately, ICANN has yet to indicate a willingness to further explore let alone adopt such a mechanism, but more importantly has not suggested an alternative to accomplish the important consumer protection objectives of the proposal.

V. Sunrise and Trademark Claims Notices Limited to "Identical Matches"

The Proposal recommends that the Trademark Claims notice or sunrise registration procedures apply only to "identical matches."[7] Such a restrictive definition provides little practical protection to brand owners, as the vast majority of cybersquatting involves typographical variations or 'mark + descriptive term.' Limitation to identical marks should be a floor, not a ceiling. We propose that registries should, at least, be able to employ a 'match plus' system with respect to Trademark Claims Service, in any new domain that contains the mark in its entirety would satisfy or trigger the RPM, whether or not other elements are present in the domain as well.

Moreover, the proposed definition of an identical match is overly narrow and does not represent registry best practices, as recently employed by .ASIA in its sunrise process. We urge ICANN to adopt an approach for determining matches that would include domain names that incorporate a mark beyond an identical match, including obvious typographical variations.[8] At a minimum, a match should include plurals of, and domain names containing, the exact trademark.

VI. Ancillary Services

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[5] To dissuade the registration of obviously infringing domain names by cybersquatters and others who wish to conduct unlawful activity on the Internet by taking advantage of consumer trust in well-known brands, the Committee further recommends the consideration of mitigating steps against registrants who expressly misrepresent their legitimate rights in a domain name.

[6] We also note that there has been a great deal of discussion surrounding the issue of who should bear the cost of the TC. For reasons of equity, costs should be correlated to the creation and use of the Clearinghouse, and thus, should be shared by ICANN, registrars and registries, and trademark owners.

[7] "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."

[8] This is a process similar to that successfully employed in the .ASIA sunrise policy http://www.registry.asia/policies/DotAsia-IDN-Sunrise-Policies-DRAFT--2009-12-11.pdf.

The Proposal states that there will be no prohibition against TC provider(s) providing "ancillary services" as long as the provider(s) keep the data used for such ancillary services separate from the clearinghouse database. The Proposal also provides that "relevant data" obtained to perform ancillary services should be licensed to competitors interested in providing such ancillary services. We believe that the scope of the services considered "ancillary services," the parties to whom such services will be offered, and the purposes for which the services will be offered must be clarified. For example, it is unclear whether TC provider(s) will be allowed to provide lists of common typographical variations and generic terms used with trademarks to third parties based upon information submitted to the TC.

TC provider(s) should not have the ability to offer ancillary services based on information and data gathered from trademark owners without the owner's consent. We are concerned that allowing unrestricted ancillary services will lead to abuse of trademark data and information. Absent a trademark owner's consent, ancillary services based on data submitted by trademark owners should be offered solely to the trademark owners who submitted the data. Otherwise, TC provider(s) may have financial incentive to offer information and data to third parties that could be used to infringe upon trademark owners' rights.

As previously noted, under the current ICANN proposal for a Trademark Claims Notice, trademark owners will receive notice of the registration only of domain names that contain an "identical match" to their trademark. The vast majority of cybersquatting is not comprised of exact matches, but rather "match plus" or typosquatting. If "ancillary services" include providing lists of typographical variations and generic terms commonly used with trademarks to third parties, such services will have the perverse effect of encouraging and facilitating the registration of infringing domain names for which the trademark owner will not even receive notice. Moreover, if it is suggested that ancillary services could include typographical variations and generic terms commonly used with trademarks, why then is it claimed that identifying these same criteria during sunrise and for claims services is technically infeasible?

VII. Costs of the TC

We agree that costs of the TC should be borne by parties benefiting from the TC, but it must be acknowledged that trademark owners are not the only parties who will benefit. In addition to trademark owners, contracting parties, registrants and ICANN all stand to benefit from the TC insofar as it will facilitate registration of domains in the new gTLDs both during and after Sunrise periods, which will save time and money for all parties involved in the process. Moreover, countless others will take advantage of the ancillary services that will be made possible by the information that trademark owners will (as currently proposed) pay for the privilege of submitting. The TC should be funded by all of these stakeholders.

If the costs of the TC are not fairly allocated among all constituencies that stand to benefit from it, the disproportionate imposition on IP owners of the expenses associated with the TC will serve as a disincentive to IP owners to participate in the TC, and will lead to inadequate levels of protection for consumers.

VIII. Penalties for Abuse

The Proposal briefly mentions, but fails to define a number of situations in which trademark owners who submit data to the TC will be liable for penalties. If penalties are to apply, the offenses triggering such penalties need to be clearly delineated.

While we do not suggest that trademark owners should be immune from the possibility of penalties for abuse of the system, it is worth bearing in mind that the vast majority of domain-name-related abuses are committed not by overbearing trademark owners seeking to squelch privacy or free speech, but rather by cybersquatters seeking to defraud consumers and/or profit off of the trademark rights of others. Yet neither the RPMs for existing gTLDs nor those currently proposed for future gTLDs provide for the possibility of even a single financial penalty for cybersquatters. It is all the more remarkable, therefore, that the current TC proposal contains quite so many penalties to deter the possibility of abuse by trademark owners who, in reality, represent such a miniscule share of the ever-increasing volume of abuse present in the domain name system today.

It is incumbent upon ICANN to avoid unnecessary or unfairly punitive measures that will have the effect of discouraging trademark owners from participating in the TC.

IX. Sunrise Registration Process

The Proposal provides that all new gTLD registries be required to use the TC to support their pre-launch rights protection mechanisms (RPMs), and that such RPMs must consist of either a Sunrise period or a Trademark Claims Service. We believe that ICANN must clarify that the intent of the Proposal is to require all new gTLD registries at a minimum to either implement a Trademark Claims Service or provide a Sunrise period.

Conclusion

A properly implemented TC can serve as an important tool to facilitate the protection of trademark rights through RPMs in new gTLDs. The Internet Committee strongly encourages ICANN to design the TC to accept the full range of trademark rights and integrate the TC into ongoing Post-Launch RPM processes such as the URS, in order to maximize its utility, reduce expenses across all facets of the new gTLD program and ensure a minimum adequate level of consumer protection.

Thank you for considering our views on these important issues. Should you have any questions regarding our submission, please contact INTA's External Relations Manager, Claudio DiGangi at: cdigangi@inta.org.

About INTA & The Internet Committee

The International Trademark Association (INTA) is a more than 131-year-old global organization with members in over 190 countries. One of INTA's key goals is the promotion and protection of trademarks as a primary means for consumers to make informed choices regarding the products and services they purchase. During the last decade, INTA has served as a leading voice for trademark owners in the development of cyberspace, including as a founding member of ICANN's Intellectual Property Constituency (IPC).

INTA's Internet Committee is a group of over two hundred trademark owners and professionals from around the world charged with evaluating treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet,

and unfair competition on the Internet, whose mission is to advance the balanced protection of trademarks on the Internet.