

1 April 2010

Our ref PADWT/977387.2

Mr Rod Beckstrom
Mr Peter Dengate Thrush
Internet Corporation for Assigned Names and Numbers ('ICANN')

Dear Sirs

LOVELLS LLP COMMENTS TO ICANN ON THE TRADEMARK CLEARINGHOUSE ('TC')

Lovells LLP is an international law firm with over 1800 legal staff worldwide and acts for numerous brand owners and Internet players. We appreciate the opportunity to comment on the TC revised proposal (the 'Revised Proposal').

We recognise and appreciate the considerable efforts made in order to reach consensus. We support the TC as being a valuable tool to assist in the protection of trade mark rights.

We would like to submit the few comments below which we feel need to be taken into account for the TC to adequately fulfil its role.

1. THE CONCEPT OF "SUBSTANTIVE REVIEW / EXAMINATION" OF TRADEMARKS

We feel uncomfortable with the concept of so-called "substantive review" or "substantive examination" which, under the Revised Proposal, would allow for discrimination against some jurisdictions. This is problematic and we feel that ICANN and new Registry Operators should not assess the merit and the strength of each system of law in relation to trademark registration and examination procedures.

In addition, the debate on what is to be understood as "substantive" is a difficult one and very prone to bias since conceptions differ between Common law jurisdictions (e.g. the USPTO with its examination of relative and absolute grounds) and Civil law jurisdictions, for example.

The new gTLD initiative should not have any geographical bias and there should be as little room for interpretation as possible in the interest of fairness and equality between jurisdictions and their respective applicants. Whilst some jurisdictions do not carry out a thorough examination of filed trademarks, they will provide for opposition procedures before granting registration.

This principle of non-discrimination between different national trademark registration systems has been highlighted by an observation made by the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications in connection with the "*Relation Between Opposition and Examination Procedures*", "that neither approach (examination on relative grounds or opposition procedures) constitutes a preferred model".

Depending on the geographical bias and conception of what a good trademark registration is, we could well find ourselves in a situation where, for instance, Community Trade Marks or French trademarks would not be granted the same protection as a USPTO trademark. Lovells LLP is particularly concerned about this and calls for ICANN to clear this ambiguity.

Lovells LLP thus recommends that this discrimination against jurisdictions which do not conduct a so-called "substantive review / examination" be rectified. At the very least Lovells LLP calls for ICANN to give the most objective and precise definition possible of what should be considered a "substantive review / examination". For instance, ICANN could define jurisdictions which do not conduct "substantive review" or "substantive examination" as those which do not provide for an examination or an opposition between filing and registration of a trademark (e.g. Benelux so-called accelerated registration). However, such trademarks would be subjected to an examination and / or opposition after registration (e.g. Benelux so-called "accelerated registration"). National systems which would fall into this category could be exhaustively listed by ICANN and there would then be an additional burden on a trademark owner to produce evidence that their trademark has successfully passed post-registration examination and / or opposition.

2. COMMON LAW TRADEMARK RIGHTS

The Revised Proposal underlines that no common law rights should be included in the TC except for court validated common law trademarks. We are of the view that the scope of the TC should be broader than currently suggested by the Revised Proposal to include common law trademark rights especially where other types of intellectual property rights would not be included in the TC.

3. FIGURATIVE OR DESIGN MARKS

We once again stress out that figurative or design marks shall be included in the database since many entities throughout the world will not have registered multiple variations of the mark they trade under but rather the one mark they use to carry out their business activities which will often be a logo featuring a figurative element.

We believe that it would be detrimental to such entities if the TC did not include figurative marks which contain a text element that can be clearly identified and isolated, especially as it has been successfully applied in numerous gTLD launches, including .ASIA.

4. 'IDENTICAL MATCH'

According to the Revised Proposal defining which domain names would be reported to registries as matching a validated trademark, "*no plural and no "marks contained"*" would qualify.

We are of the opinion that when a validated trademark is included in a string, the string should be considered as matching the validated trademark. Most of the abusive registrations do not in fact relate to "exact" or "identical" matches. We feel that it is very important to go beyond "identical match" and trademark holders should be able to make use of the TC to do this.

5. THE ISSUE OF COSTS OF OPERATING THE TC

We reiterate that the TC operating costs, or at least a major proportion, should also be born by ICANN, the Registries and Registrars, as they are the main entities which will benefit financially from the new gTLD initiative as a whole.

6. POST LAUNCH USE OF THE TC

We still think that the IP Claims Notice as set out in the IRT report, named the TM Notice in the STI Recommendations and the Trademark Claims Service in the Revised Proposal, is an excellent means of providing notice to would be registrants not just during the Sunrise period but potentially post launch. By putting an applicant on notice of existing trademark rights – whilst pointing out that there may still be use which is considered fair use in certain jurisdictions – would be of benefit to innocent or uninformed applicants, minimizing accidental infringement. It would also serve to tackle cybersquatting as the registrant has been put on notice and thus will hopefully defer from registering if the intended use overlaps with those areas covered by the trademark. Coupled with the URS it would assist in meeting the evidential barrier and ensure a more rapid decision against the cybersquatter.

Conclusion

We are of the view that the TC is an important tool for trademark owners, registries, registrars and ICANN. However ICANN needs to ensure that there is no discrimination in the inclusion and protection of trademarks as highlighted in the above comments.

The goal of us all is for technically feasible, fair and affordable solutions applicable globally to allow new gTLDs to flourish and protect consumers, not turn into havens for consumer abuse.

Yours faithfully,

David Taylor

Partner, Intellectual Property, Media and Technology and head of Lovells Domain Name Law Practice.