



Comments of the GNSO Intellectual Property Constituency ("IPC") on the
“New gTLD Program: Trademark Clearinghouse Explanatory Memorandum: ‘Implementing
Matching Rules’ and ‘Implementing the Proof of Use Verification’
October 15, 2012

The GNSO Intellectual Property Constituency ("IPC") appreciates this opportunity to comment on issues related to the implementation of the Trademark Clearinghouse ("TMCH").

Post the TMCH Implementation Model for Public Comment by extending the Current Comment Period for a Minimum of 30 Days

ICANN has repeatedly stated that the TMCH is expected to play an important role in the launch of the new gTLD Program and in ensuring the ongoing protection of trademark rights. The IPC agrees with this statement, and previously endorsed the work of the Implementation Recommendation Team (IRT) in originally proposing the TMCH.

The IPC believes the proper implementation of the TMCH is necessary for the overall success of the new gTLD program. Yet, we note with concern, that following the approval of the new gTLD program in June 2011, ICANN has not posted its Implementation Model for the TMCH for public review and comment.

In addition, over one year has passed since ICANN first issued a request for information (RFI) for providers to perform the Trademark Clearinghouse functions, and invited interested parties to participate in an “Implementation Assistance Group” (“IAG”), to work on implementing the specified processes to be supported by the Trademark Clearinghouse (see public announcement available here: <http://www.icann.org/en/news/announcements/announcement-26oct11-en.htm>)

ICANN’s TMCH implementation model, as described in the “Trademark Clearinghouse Draft Implementation Model” (available here: [Draft Implementation Model – 13 Apr 12](#)), and the recently posted (dated “September 2012”) “Trademark Clearinghouse Requirements” (available here: [draft version of the Trademark Clearinghouse Requirements](#)) set forth proposed rules, operating procedures, and process flow for the TMCH, all of which directly impact the public interest; including the rights and interests of trademark owners, registrants, registries/registrar, and consumers. The Requirements document details the responsibilities of the Trademark Clearinghouse provider, expanding upon the Clearinghouse Request for Information (RFI) to define the specific requirements of the Clearinghouse at a detailed level. It is informed by the gTLD Applicant Guidebook, as well as inputs from the Implementation Assistance Group (IAG) and other community discussions.

We believe a public comment period on ICANN's TMCH implementation model is necessary and essential because 'working sessions' or 'status updates' provided at public meetings, while helpful, are not a substitute for the "robust mechanisms for public input, accountability, and transparency," that ICANN promises the public in the Affirmation of Commitments agreement, in order "to ensure that the outcomes of its decision-making will reflect the public interest and be accountable to all stakeholders."¹

The IPC recommends a minimum 30-day extension of the current comment period, so the community can review and comment on ICANN's proposed TMCH implementation model, and any alternative community proposals that have been developed (see: <http://newgtlds.icann.org/en/about/trademark-clearinghouse>). The IPC specifically requests that all aspects and rules of the TMCH as currently formulated be published for review and comment.

Proof of Use Requirements

In terms of the current "Proof of Use" requirements that are currently posted for public comment, although ICANN states this rule benefits all trademark owners, we believe that requiring current proof of use is contrary to international trademark law, both in terms of acquiring and renewing trademark rights, and thus does not benefit all trademark owners equally.

As a result of this inconsistency with international law, we note, however, that the range of samples of 'use' that will be found acceptable by the Clearinghouse is appropriately broader, in this global context, than those accepted by, for example, the U.S. Patent and Trademark Office (USPTO) and other jurisdictions that require evidence of 'use' to obtain a trademark registration. This broader standard somewhat offsets the negative public policy implications of the "Proof of Use" requirements of the Clearinghouse. The proposed "list of accepted samples" is helpful. However, it is unclear from the text of 2.3 whether this list is illustrative or exclusive. We suggest it should be illustrative and not exclusive, and that this is clearly indicated in the procedures.

In addition, ICANN should note the unintended consequence of this relaxed standard of "use" is unlikely to have any impact on preventing potentially fraudulent Sunrise domain name registrations. To address this concern, we recommend updating the SDR Procedure in the Applicant Guidebook, as described further below.

As for the term of recordation in the Clearinghouse, section 2.4 provides that all records must be renewed annually, but that re-verification of proof of use, including renewed Declaration of Use and current samples of use will only be required once every five (5) years. Requiring annual renewal is burdensome on both the trademark owner and the Clearinghouse and should be reconsidered. A five year renewal with declaration and specimens would be more appropriate, and would constitute only half the usual trademark registration period (10 years) of almost every jurisdiction in the world.

¹ See: Affirmation of Commitments, Section 9. Available at: <http://www.icann.org/en/about/agreements/aoc/affirmation-of-commitments-30sep09-en.htm>

Maintain The Neutral Role of TMCH, By Updating the SDR Procedure in the Applicant Guidebook

As ICANN indicates, in Section 2.1.1 of the Draft TMCH Implementation Model:

“The Clearinghouse will not perform an in-depth review of the basis for the rights being claimed.... the capability for the Clearinghouse to apply legal analysis and adjudicate issues concerning legal rights might be a useful secondary service in some cases; however, this is considered outside the scope of the core function of the Clearinghouse.”

The IPC agrees that the TMCH should serve as a neutral repository for trademark rights, and should not be make legal determinations that relate to substantive rights.

The role of the TMCH as a neutral arbiter of facts, and not of legal rights, is described in the Proof of Use Requirements document, under Section 2.3 Sample of Use, which states:

“The Clearinghouse will not assume the role of making determinations on the scope of rights associated with a recorded trademark or the labels it can generate.”

Yet, this neutral role and vision of the TMCH is later contradicted in Section 2.5 “Challenges to Verification of Proof of Use” which states:

“It is expected that parties may wish to raise challenges concerning either the Clearinghouse verification of proof of use or a registry’s use of Clearinghouse information in a sunrise period. Mechanisms for consideration of such challenges are being developed and will be published in the context of dispute resolution procedures for the Clearinghouse.”

The IPC asserts that the proper focus should be on developing adequate safeguards, *at the registry level*, to ensure sufficient processes for aggrieved parties to challenge potentially fraudulent Sunrise domain name registrations.

To accomplish this objective, ICANN must update Section 6.2.4 of the Applicant Guidebook, which describes the Sunrise Dispute Resolution Procedure (SDRP) that is mandatory for all registries, but which is currently limited in terms of the scope of challenges that may be brought. As a result, Section 6.2.4 should be expanded to include provisions that enable third-parties to challenge the validity of “Proof of Use” submissions.

Matching Rules

As an initial matter, as already specified in the Applicant Guidebook, where marks contain spaces or any other characters (including @ and &) that cannot be supported by the DNS, domain names that omit these spaces or characters and domain names that replace these spaces

or characters with hyphens will be considered identical matches to those marks (i.e., AlphaBet.WEB and Alpha-Bet.WEB will be considered identical matches to Alpha Bet). In addition, the Matching Memorandum specifies that where marks contain the special characters @ and &, domain names that replace these characters with a “canonical translation” of the character in an official language of the jurisdiction from where the mark has rights will be considered an identical match (i.e., it would be likely that ALPHAandBET.WEB will be considered an identical match to any Alpha & Bet mark listed from the American jurisdiction). To facilitate this latter matching rule, the Matching Memorandum envisions that the Clearinghouse will create and maintain a list of canonical translations from each jurisdiction and then provide the mark holder, upon applying to list a mark in the Clearinghouse, a choice of which character translations from within the relevant jurisdiction it considers appropriate for its mark. Only domain names that contain those selected translations would be returned as an identical match to the listed mark. However, as noted below, limitations on the characters that may receive such translations and the languages to be used are too restrictive and would greatly reduce the value intended to be provided by the Clearinghouse.

The Explanatory Memorandum goes on to note the many “exact matches” could arise out of some marks that have a high number of spaces or characters not supported by the DNS. After further noting that the Guidebook states that parties using the Clearinghouse are to bear the costs of the Clearinghouse (e.g., mark owners and registries), the Explanatory Memorandum then details a model wherein the Clearinghouse provider will have the option to charge mark owners “according to how many exact matches are requested.” In other words, instead of mark owners paying one fee per mark listed, mark owners would pay per identical match selected for each mark listed. We do not believe that this is appropriate for common, predictable variations of these matches as the same can be easily programmed across all marks such that there is no additional administrative cost to the Clearinghouse regardless of the number of variations applicable to a given mark.

While we agree that the Clearinghouse should be able to apply the matching rules in a consistent and technically feasible manner, we do not see this as an impediment to venturing beyond the limited “identical match” standard provided for in the draft implementation rules. Given clear rules, the system could be largely automated even where “marks contained” and pluralizations along with common typosquatting variants and/or exact match plus key terms associated are included. Such inclusion would not be unduly burdensome to the Clearinghouse; as such variants could be easily programmed for automatic return of hits. Furthermore, such rules would not expand the rights of the mark owner but would rather serve the purpose of maintaining the integrity of the Clearinghouse to properly protect and notify rights holders and unwitting registrants as is exemplified in the rules applied to more recent gTLDs, such as .ASIA.

As noted above, we are also concerned that the limitation of the translation of special characters to only “@” and “&” is far too restrictive, as is limiting the translations to a handful of languages. There is no stated reason why the @ and & characters should receive special consideration over other characters such as #, ", \$, >, + and others that often appear in marks and can be translated into words. This list is not exhaustive and may include hundreds of special characters, many of which have multiple and different meanings in different languages and

should be implemented along with @ and &. Such variations again are not an issue, as once they are identified they can be programmed into the search string.

It is arbitrary and inequitable to limit character translation to only @ and &. However, once the expanse of potential symbols in marks is opened symbols, there will admittedly be transliteration issues. For instance, in English + may be transliterated as "plus" or "and". Even the @ symbol has multiple different meanings (@ in Russian means "commercial a", but it is usually called sobachka, meaning "little dog", and in Spain it is called arroba, a unit of weight)². Moreover, attempting to define which languages are deserving, or relevant enough, to allow translation, seems to be exclusionary of ICANN. In other words, translation of words in an inherently imperfect and personal/cultural analysis that would be best left to the trademark owner.

Third, we are also concerned about the concept that the Clearinghouse would charge for each match rather than for each mark listed. Obviously, paying per match would increase the financial burden to trademark owners likely beyond a reasonable fee for each mark and is against the ongoing understanding of how costs would be borne by rights holders. For example, the Implementation Model states that "rights holders will pay to record data in the Clearinghouse", not per match. Similarly, the Preliminary Cost Model submitted by ICANN on June 1, 2012 stated that the fee for authentication and validation would be less than "USD 150 per submission The low fee requires that submissions be inexpensive and straightforward to process".

Also, the ICANN Implementation Recommendation Team ("IRT") which recommended the creation of the Clearinghouse stated that the "cost to a trademark owner of placing and maintaining a record in the [] Clearinghouse should be reasonable." See IRT Report at 14. Nowhere, as far as we know, has the possibility of rights holders paying per match instead of per mark been raised to this date. At the very least, a cost study should be submitted by the Clearinghouse provider demonstrating the significant cost burden to them if they implemented the above matching rules before such a fundamental change in the cost structure is implemented. Indeed, it does not seem that the automated systems that would already be in place to conduct this matching would be dramatically taxed with these matching rules.

Thank you for considering our views on these important issues. The IPC remains available to further assist ICANN with the proper implementation of the Trademark Clearinghouse.

Respectfully submitted,

Steve Metalitz, IPC president

² Webopedia, "History of the @ Sign", <http://www.webopedia.com/DidYouKnow/Internet/2002/HistoryofAtSign.asp> (visited 10/10/2012).