



**Reply Comments of the Intellectual Property Constituency on  
the Trademark Clearinghouse "Strawman Solution"  
and the Proposal for Limited Preventative Registration Mechanism**

I. INTRODUCTION

As stated in the Intellectual Property Constituency's (IPC) January 15, 2013 comments, we believe that the Strawman Solution and the Limited Preventive Rights (LPR) proposals are necessary refinements in the implementation of the existing overarching policy that the new gTLDs should not infringe the legal rights of others. Neither the Strawman nor the LPR proposal broaden the scope of protection or add new rights protection mechanisms (RPMs). As pointed out by several other commenters, ICANN has pledged to give each single consumer and Internet user a safe system, therewith avoiding as far as possible the costs for consumers otherwise risking to pay substantial costs by mistakenly using cybersquatting websites. A rough count of the comments indicates that approximately 70% of commenters supported the Strawman and LPR proposal.

Many of those who object to the Strawman Proposal do so on the basis of process instead of substance. The arguments include the points that it is (1) "too late" for changes; (2) that the RPMs are "policy" issues that need to revert back to the GNSO; and (3) that the RPMs in the Applicant Guidebook are sufficient. For those opposed to any meaningful improvements to RPMs, these kinds of arguments only serve as procedural ploys to delay improvements or thwart constructive changes from taking place inside the ICANN process. The Strawman Proposal, the LPR, and URS reform however are critical fixes needed fully before the rollout of any new gTLDs. Whether characterized as "implementation" or "policy," the bottom line is that RPM solutions are critical to protecting consumers from confusion, fraud, and abuse, and should not be sacrificed to artificial deadlines. Improved RPMs must either be placed on an expedited working group track that addresses the concerns before the rollout, or the rollout should be delayed to accommodate the time needed to make these important changes. In fact, ICANN has already proven that it can make other important fixes on an expedited basis to other matters relating to the new gTLD rollout. One example is ICANN's recent decision, without a PDP and with minimal public consultation, to switch to the "Prioritization Draw" as an implementation decision. Indeed, the Sunrise period and original Trademark Claims processes were adopted without a PDP. Because ICANN's Applicant Guidebook not only allows for, but, in fact, anticipates that substantive changes may occur, the additional RPM solutions are not only necessary, but represent reasonable changes that should be made before the rollout of any new gTLDs

In its Public Comment on the Strawman Solution, the New gTLD Applicant Group (NTAG) claims that its constituency does not support "last-minute material changes to the RPMs

in the Applicant Guidebook”.<sup>1</sup> However, this point misses the mark in two regards. First, as the IPC and many other supporters point out, the Strawman and LPR proposals do not embody material changes. The Strawman and the LPR are reasonable adjustments of existing protections, and are necessary to make the RPMs meaningful in light of the huge disparity between the anticipated and the actual volume of new gTLD applications. Second, even if these were “material changes,” to deny them on this ground ignores the question of whether they are “necessary changes.” If they are necessary, then the fact that they are material would not justify ICANN in refusing to adopt them. The LPR, in particular, is a necessary change. The LPR will at least soften the blow for companies that would acquire defensive registrations, because LPRs are intended to be a lower-cost and more easily acquired form of defensive registration.

In general, those opposed to reasonable enhancements to RPMs cling to the idea that the Internet community should be satisfied with the “settled” approach in the Applicant Guidebook. Unfortunately, it has become clear since that time that these approaches are inadequate to deal with the unexpected number of new gTLDs. The IPC did not enter into the present process to develop better RPMs solutions out of greed or sport. It did so because of continuing concerns of brand-owners and their representatives, the GAC, government agencies and others that the RPMs in the Applicant Guidebook are inadequate. The present reality of over 1900 gTLD applications for over 1400 unique strings requires recognition that the existing RPMs are insufficient. The IPC acknowledges that these proposals are changes from the status quo, but they are undeniably incremental, and, in the view of most commenters, important and needed. It is critical under the Affirmation of Commitments for ICANN to offer adequate RPMs, and the IPC believes that the Strawman and LPR proposals are necessary considerations.

## II. SPECIFIC REPLY COMMENTS.

### A. Sunrise Notice

As an initial matter, despite certain disagreements on policy and implementation, the proposal to require registries in the new gTLDs to provide at least 30 days advance notice of the opening of the Sunrise registration period, received overwhelming approval.

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<sup>1</sup> NTAG Comment, submitted January 9, 2013, accessible at <http://forum.icann.org/lists/tmch-strawman/msg00014.html>. As a preliminary matter, we think it is important to point out that the make-up of the NTAG does not fairly reflect the cross-section of new gTLD applicants. While NTAG claims to be “diverse,” it is clear from both a review of its membership and its comments that the NTAG does not represent the interests of “brand” new gTLD applicants. Of 90 members, fewer than ten can be identified as “.brands.” Therefore, the NTAG comments, like NTAG itself, should be seen as representing primarily the views of entities intending to operate “generic” TLDs which will maximize profits through maximizing domain name registrations. This is a legitimate point of view, but only one point of view within the spectrum of new gTLD applicants. The unbalanced nature of these comments is highlighted by the fact that comments by several brand owners that are also either a .brand gTLD applicant and an NTAG member (Microsoft Corporation) or Affiliates of .brand gTLD applicants that are NTAG members (National Basketball Association and National Football League) specifically state that they do not support the NTAG comments. See Microsoft Comments on the “Strawman” and “LPR” Proposals, accessible at <http://forum.icann.org/lists/tmch-strawman/msg00074.html>; Comments on TMCH “Strawman Solution” and LPR, accessible at <http://forum.icann.org/lists/tmch-strawman/msg00052.html>.

## B. Claims 1 Extension To 90 Days

The IPC and many other commenters support a modest extension of the period for issuing Trademark Claims notices from 60 to 90 days. This extension would not require that new systems be established by registries or impose any new burdens on the Trademark Clearinghouse. The few commenters who were opposed to extending the Trademark Claims service were divided in their stated reasons for such opposition. For instance, the Registrar Stakeholder Group's (RrSG) only opposition to the extension of the claims notice to 90 days was a bald assertion that "it will burden Registrars who have configured their systems for 60 days".<sup>2</sup> On the other hand, the NTAG failed to mention any alleged technical hardships and argued that an additional 30-day extension was so substantial a change that there needed to be GNSO action. However, the IPC points out that the proposed 60-day period was itself implementation of ICANN policy that was not subject to any specific, significant or lengthy discussion by the ICANN community. In fact, the 60-day period was not part of the IRT Report<sup>3</sup> and instead first appears in drafts of the Trademark Clearinghouse model authored by ICANN staff.

## C. Optional "Claims 2" Period

Opponents of the optional Claims 2 period have incorrectly labeled this reasonable solution as a new RPM in an effort to justify requiring a policy development process. However, it is important to point out that a claims notice – whether Claims 1 or Claims 2 – is merely a document provided to a potential domain name registrant to advise of the registration of the identical term as a trademark with the Trademark Clearinghouse. It does not block anyone from going forward with a domain name registration, and there is no data concerning any alleged "chilling effect" to the number of domain name registrations. At worst, registrars might lose out on a small number of illegal and infringing domain name registrations. If this harms the bottom line of some registries that depend on the largest possible volume of registrations, ICANN has no obligation to protect their business model, considering the risks of abusive registration to consumers, Internet users, and brand owners. Again, a common theme among the opposition is simply that registries and registrars would bear the burden of building a system at their own risk and cost. Essentially, these parties are complaining that an idea that makes good sense to protect consumers, registrants, and brand-owners may be an additional cost to them. However, they conveniently ignore the enormous additional costs that brand-owners will incur to protect their brands and the additional profit that these parties will rake in from infringing domain name registrations.

The Claims 2 process is merely a lightweight version of the Claims 1 process, and should create no new technical challenges.<sup>4</sup> Some of the comments list a number of purported technical

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<sup>2</sup> RrSG Comment, submitted January 14, 2013, accessible at <http://forum.icann.org/lists/tmch-strawman/msg00027.html>.

<sup>3</sup> The IRT Report contains no mention of a 60-day period. See <http://archive.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>.

<sup>4</sup> Indeed, several Public Comments otherwise supporting Claims 2 include the suggestion that it is so lightweight that it should include the full Claims requirements of Claims 1.

challenges, and then claim that a PDP would be the place to collaboratively answer questions about these technical challenges. However, it is quite clear that most of these items are implementation, and not policy. As such, they would not be resolved, or even raised, in a PDP, and can readily be addressed in the implementation process.

D. Exact Matches To Domains Previously Determined to Have Been Abusively Registered or Used

The Strawman Solution included a proposal allowing mark owners to record with the Trademark Clearinghouse up to 50 domain names that a court or UDRP panel has previously determined to have been abusively registered or used. Such trademark variants would be associated with the corresponding trademark record in the Trademark Clearinghouse, and would trigger a Claims notice in the event of an “identical match.”

Opposition to this particular proposal centers on a mistaken assertion that this is a departure from the IRT's recommendation of applying only "identical matches".<sup>5</sup> Allowing a trademark registrant in the Trademark Clearinghouse to include up to 50 other specified and previously adjudicated strings can be implemented using an exact match standard and does not create any new rights. Extending the claims service to previously abused domains as a trigger to receive a claims notice is no different than if a brand-owner had multiple variant trademark registrations encompassing a core mark. The cost of implementation can be built into the relevant registration fees.

Some commenters characterized this proposal as going beyond the rights that are provided to trademark owners under the federal and international trademark laws on which these RPMs were originally based. However, this proposal stops no one from registering any domain name and gives no one any additional rights. Since inclusion of a string would require a previous judicial or UDRP decision, the scope is far narrower than registrations covered by Claims 1 or Claims 2. This limitation also ensures that rights in these variants will have been legally affirmed by a court or arbitrator. At most, it may help to reduce the need for brand-owners to initiate a UDRP action or litigation to challenge domain names that have previously been found confusingly similar to their trademarks. This is not any expansion of rights but merely a normal and logical implementation of the accepted rules.

E. Limited Preventative Registration Proposal.

Similarly, the primary issue opponents raise against the LPR proposal is that it would constitute the creation of a new blocking mechanism. However, the LPR is merely an improvement to the existing sunrise process, allowing for an efficient means for a brand-owner to register a non-resolving domain name at a lower cost than a fully functional domain name registration. The NTAG and other opponents term the LPR an “effort to block registrations.” This fundamentally misrepresents the LPR proposal. LPRs block nothing that is not already blocked under the existing Sunrise. LPRs are merely a lightweight version of a traditional

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<sup>5</sup> IRT Report at page 22. <http://archive.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>

domain name registration, designed to offer the defensive registrant what it needs in a registration and no more. Although an LPR will be non-resolving and will be procured through a centralized process, it will otherwise be indistinguishable from a traditional registration in any significant way. It is telling that NTAG makes no real comments on this point, perhaps thinking that invoking the mere spectre of a “blocking” mechanism will be sufficient in some circles to kill this reasonable proposal.

### III. CONCLUSION.

The IPC hopes that ICANN has found these reply comments and its Public Comments on the Strawman Solution to be useful. We cannot emphasize enough the importance of implementation of all eight of the improvements suggested by the IPC and BC, including but not limited to those addressed in the Strawman and LPR. All of these improvements are complementary and necessary to ensure that adequate RPMs exist in the new gTLD space to protect consumers, brand-owners, and registrants.