



**Comments on
Strawman Solution
for Rights Protection
in new gTLDs**

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Business Constituency Submission

GNSO//CSG//BC

Summary:

While the BC supports gTLD expansion, we believe that many new gTLD applications will impose new costs on existing businesses whose brands are exploited for fraud and abuse, such as deceiving users, redirecting traffic, and extracting referral fees. We have long been frustrated that ICANN has shown insufficient concern for these negative externalities that would result from a significant expansion of gTLDs.

To limit these risks and costs across several hundred new gTLDs, businesses requested stronger implementations of rights protection mechanisms (RPMs) than what is now required. But during the evolution of the new gTLD program, brand and consumer protection concerns raised by businesses and governments were not adequately addressed.

In light of these past disappointments, the BC appreciates the approach taken by ICANN's new leadership team, beginning with the post-Toronto meetings and leading to the present Strawman proposal. The BC sees the Strawman as a constructive way to advance 4 of the 8 measures published by the Commercial Stakeholders Group at the Toronto meeting¹. However, the other 4 measures should also be pursued since they are equally important to the success of the gTLD expansion:

- 1) complete the URS (Uniform Rapid Suspension) as a low-cost, rapid means of suspending fraudulent or abusive registrations;
- 2) validate contact information for registrants in WHOIS;
- 3) require all registrars doing new gTLD registrations to adhere to the amended RAA; and
- 4) enforce compliance of all registry commitments – including commitments given to address objections from governments and other objectors.

While the BC generally supports the Strawman Solution as an incremental improvement in RPM implementation, we have several reservations and recommendations. Below we respond to specific elements in the Strawman, making suggestions for further refinements that are necessary to mitigate significant costs and risks to both businesses and consumers.

Background on Strawman Solution:

The Trademark Clearinghouse facilitates the protection of trademark rights during the initial allocation and registration periods for domain names in new gTLDs. All new gTLD registries are required to use Clearinghouse data and provide TM rights protection mechanisms (RPMs) during the initial period of domain registration.

Following discussions at the Toronto meeting, ICANN's CEO led meetings with stakeholder representatives for implementation discussions on the Trademark Clearinghouse and associated rights protection mechanisms. The implementation meetings addressed part of the recent IPC/BC proposal for Improvements and Enhancements to the RPMs for new gTLDs. ([link](#))

Members of multiple GNSO constituencies participated in these discussions. The group collaborated on a possible "Strawman Solution" addressing several IPC/BC recommendations. The discussions on this model included significant compromise and accommodation by participants.

¹ For full list of 8 measures, see

<http://www.bizconst.org/Positions-Statements/Consensus%20Improvements%20to%20RPMs%20for%20new%20gTLDs.pdf>

The Strawman Solution is a proposed implementation of Sunrise and Trademark Claims services that balances and addresses the concerns of the various parties, including some concerns raised by the BC.

One element of the IPC/BC proposal that was not included in the Strawman Solution concerned a mechanism for reserving registrations of domains in the TM clearinghouse. Reservation is intended as non-resolving and therefore lower cost alternative to acquiring a defensive registration. The latest implementation proposal for a non-resolving reservation mechanism is called a "Limited Preventative Registration" (LPR).

LPR did not achieve consensus among participants in the implementation meetings and is not included in the Strawman Solution. However, LPR was posted for public comment on whether it should be considered for implementation. Even if LPR is not considered an implementation item, it could eventually be required as a consensus policy pursuant to a PDP.

BC Comments on the Strawman Solution:

Strawman Solution #1:

All new gTLD operators will publish the dates and requirements of their sunrise periods at least 30 days in advance. When combined with the existing (30-day) sunrise period, this supports the goal of enabling rights holders to anticipate and prepare for upcoming launches.

The BC agrees with the Strawman conclusion that timing of the sunrise period is a matter of implementation, and does not require new policy development. Existing GNSO policy requires that the new gTLD program not "infringe on the legal rights of others". ICANN management and staff are required to deliver mechanisms to implement that policy, including determination of advance notice and duration requirements.

The BC supports the Strawman Solution to require new gTLD registries to publish advance notice of their Sunrise periods. A 30-day advance notice will incrementally help businesses to anticipate and prepare for Sunrise registrations. While this is not exactly what the BC and IPC requested, it will be helpful to businesses who are participating in Sunrise registrations.

This support is offered in spite of the fact that advance notice alone is not sufficient to enable businesses to manage as many as 20 simultaneous sunrise periods per week over many months.

In Feb-2012 the BC recommended extending sunrise to a mandatory 60-day period (suggesting that single-registrant TLDs could be excluded from this requirement). For business registrants, a 60-day sunrise would be significantly more valuable than a 30-day notice followed by a 30-day sunrise.

Moreover, the BC has consistently called for a standardized Sunrise approach to minimize the confusion and costs to registrants to participate in Sunrise across multiple new gTLDs. ICANN should have required new gTLD registries to standardize on common terminology, consistent processes, and mandatory best practices for sunrise registrations. If this standardization cannot be implemented now, the BC suggests that standardization be required in future rounds of new gTLDs.

Strawman Solution #2:

A Trademark Claims period, as described in the Applicant Guidebook, will take place for 90 days. During this "Claims 1" period, anyone attempting to register a domain name matching a Clearinghouse record will be displayed a Claims notice (as included in the Applicant Guidebook) showing the relevant mark information, and must acknowledge the notice to proceed. If the domain name is registered, the relevant rights holders in the Clearinghouse will receive notice of the registration.

The BC agrees with the Strawman conclusion that duration of the TM Claims notice period is a matter of implementation, and does not require new policy development. Existing GNSO policy requires that the new gTLD program "not infringe the existing legal rights of others". ICANN management and staff are therefore required to deliver mechanisms to implement that policy, including the required duration of the notice service.

The BC also appreciates the Strawman Solution to extend TM claim notice period from 60 to 90 days. However, the BC believes the Strawman document fails to recognize the true beneficiaries of TM claim notices and the benefits of extending the claims period – at least until an objective review of their effectiveness.

Unstated but inherent in the change is that TM claim notices will provide a significant benefit to potential registrants – not just to TM holders. For that reason the BC emphatically contends that the requirement to provide TM claims notices should not be arbitrarily terminated after 90 days, let alone after 60 days.

It is at the point of registration when we ought to be informing registrants of possible TM conflicts, so they can make an informed decision about whether to register and how to use their new domain name in ways that avoid potential TM problems. TM claim notices allow a potential registrant to be aware of risks before investing in domain name acquisition, website build-out, and use of the domain in their business branding, advertising, signage, etc.

But if they see no notice during registration, a potential registrant may not be aware of possible conflicts with trademark holders. Instead, they may learn of conflicts and problems only after making investments in the new domain name. That often leads to additional expense for legal proceedings and re-branding, after which the registrant is left wondering why they weren't informed of potential conflicts at the point of registration.

If TM claim notices are providing value to registrants and TM holders alike, it makes no sense to discontinue notification services after an arbitrary period of 60 or 90 days. In fact, the absence of a TM notice on day 91 is likely to generate "false negatives," where registrants assume that the lack of TM notice means their desired domain is free and clear of potential TM conflicts or restrictions on use.

Finally, it's essential to remember that TM claim notices create no new rights for TM holders, as some have asserted. Rather, these notices help ICANN fulfill its obligation to inform registrants when their selection or use of a domain name might infringe the existing legal rights of others.

The BC restates our request that TM claim notices be required indefinitely, or at least until they can be evaluated as part of the independent review of new gTLDs requested by the GAC, to begin one year after the 75th new gTLD is launched.

Strawman Solution #3:

Rights holders will have the option to pay an additional fee for inclusion of a Clearinghouse record in a "Claims 2" service where, for an additional 6-12 months, anyone attempting to register a domain name matching the Clearinghouse record would be shown a Claims notice indicating that the name matches a record in the Clearinghouse (but not necessarily displaying the actual Claims data). This notice will also provide a description of the rights and responsibilities of the registrant and will incorporate a form of educational add-on to help propagate information on the role of trademarks and develop more informed consumers in the registration process.

The BC is troubled that "Claims 2" notices would be presented without specific claims data. As we understand it, the purpose of the Claims 2 notice was to educate the innocent infringer. But when Registrars use domain name spinners on their websites, they lead registrants to believe that trademarked domain names (along with the many variations they suggest) are "available" for registration. Claims 2 notices should provide the registrant with enough relevant claims information to help them make an informed choice before registering and using a domain subject to claims notice.

As noted above in our response to Strawman solution #2, the BC believes that TM claim notices will provide valuable information to registrants, and should be continued indefinitely. As we said in our May-2011 comments on the draft Guidebook:

"The TM Claims notification service provides a valuable service to both TM holders and registrants. This holds true any time a domain name is registered – not just during the launch period. The BC recommends that gTLD Registry Operators offer TM Claims service not only during launch, but at any time a domain name is registered." (p.12)

At the very least, TM claims notices should be required until they can be evaluated as part of the comprehensive independent review of new gTLDs requested by the GAC, to begin one year after the 75th new gTLD is launched. We note that the start of the GAC review should be adjusted since IDNs will launch first. The GAC review should therefore begin one year after the 75th non-IDN gTLD is launched, so that the review can evaluate a range of gTLDs in determining the true effectiveness of RPMs.

The BC also recognizes that an extended or permanent notice service would impose incremental expenses on registrars and registries. Accordingly, the BC supports a reasonable fee for the Claims 2 notice service, provided the notice includes the same information and registrant acknowledgement mechanism required for Claims 1 notices. While we have no specific recommendation for the fee amount, the BC believes it should be based on cost recovery for registrars, registries, and the TM Clearinghouse provider.

These fees might be collected through an addition to the annual TM Clearinghouse renewal fee. Hopefully, the "live query" model recently adopted by ICANN should be less expensive for registrars and registries, reducing the incremental costs for a perpetual claims service.

Strawman Solution #4:

Where there are domain labels that have previously determined to have been abusively registered or used (e.g., as a result of a UDRP or court proceeding), a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names may be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). Attempts to register these as domain names will generate the Claims notices as well as the notices to the relevant rights holders (for both Claims 1 and 2).

The BC is greatly relieved that ICANN is acknowledging that registrants should be informed when registering a domain that has been previously abusively registered or used. It makes great sense to learn from past experience, particularly when a notification could help a future registrant avoid the same mistake made by past registrants in other TLDs.

For over 3 years, the BC has recommended that ICANN's new gTLD program explicitly deal with second-level domains that were found to be abusively registered or used. In our Nov-2009 comments ([link](#)), we recommended that URS and UDRP decisions should result in notices when future registrants register the same second-level string:

Successful complainant must also have option to have domain suspended until end of its current registration term, and then indefinitely flagged. Flag shall be recorded in the clearinghouse so that if anyone seeks to register such name(s) again, they would get a notice.

The BC is carefully considering the arbitrary limit of 50 related names for each Clearinghouse record. For some businesses, 50 related names will be more than enough. But a few BC members have spent over a decade battling domain name fraud and abuse aimed at customers and users of their brands. Some brands may have more than 50 domains that have been shown to be abusively registered and used. If so, the Strawman Solution may need to allow sufficient related domains to cover all actual instances of past abuse.

As noted above, the BC believes that TM claim notices provide valuable information to registrants, and should be required indefinitely, or at least until their effectiveness is objectively evaluated.

If TM claim notices are providing value to registrants and TM holders alike, it makes no sense to discontinue notification after an arbitrary period. In fact, the absence of a TM notice one day after notices cease is likely to generate "false negatives," where registrants assume that the lack of TM notice means their desired domain is free and clear of potential TM conflicts or restrictions on use.

The BC also recognizes that an extended or permanent notice service would impose incremental expenses on registrars and registries. Accordingly, the BC supports a reasonable fee for extended notice services. While we have no specific recommendation for the fee amount, the BC believes it should be based on cost recovery for registrars, registries, and the TM Clearinghouse provider. These fees might be collected through an addition to the annual TM Clearinghouse renewal fee.

Strawman Proposal for Limited Preventative Registration Mechanism:

While specifically not a part of the Strawman proposal, Limited Preventative Registration (LPR) would be a mechanism for trademark owners to prevent second-level registration of their marks (exact matches, plus character strings previously determined to have been abusively registered or used) across all gTLD registries, upon payment of a reasonable fee, with appropriate safeguards for registrants with a legitimate right or interest.

The BC has previously endorsed a reservation mechanism, as part of Feb-2012 request for improvements to rights protection mechanisms:

Add a “do not register” or “registry block” service based on the Trademark Clearinghouse, allowing any trademark holder to pay a one time fee to permanently prevent registration of names that are an identical match or include the identical match trademark name. The fee per name should be a one-time fee that covers all new gTLDs through a database of ‘reserve names’. Operate this service for two years, then evaluate its continuation.

The BC was disappointed that no form of blocking was included among RPMs, since BC members will otherwise have to acquire thousands of defensive registrations across multiple new gTLDs. Some BC members are in regulated industries, where governments are concerned about financial fraud and adverse health impacts when consumers purchase from fraudulent websites.

The proposed LPR would create no new rights for TM holders, as some have asserted. Rather, the LPR mechanism is simply a non-resolving, bulk purchase option for defensive registrations already provided for during the sunrise period.

The LPR mechanism is an implementation of existing GNSO policy requiring that the new gTLD program “not infringe the existing legal rights of others”. As such, the LPR should be evaluated as an implementation item along with the other Strawman solutions.

If, however, the LPR mechanism is going to be evaluated as new policy, the BC requests a PDP that is done through a “fast track” process.

The BC understands that a PDP on LPR would not delay the delegation of new gTLDs. This PDP should be conducted in parallel with the delegations expected to begin in mid-2013. Using the theoretical fastest track possible under GNSO operational procedures, the PDP could be considered by the board as early as November 2013². At that time, any new consensus policies regarding Limited Protective Registrations would apply to all gTLDs, not just new gTLDs.

These comments were compiled by Steve DelBianco based on previous positions and comments from multiple BC members. Revisions were accommodated and this version was authorized by BC membership on 14-Jan-2013.

² November 2013 is the earliest date a PDP could be presented for Board approval, according to a timeline developed by BC Member Chris Chaplow. See <http://www.bizconst.org/Positions-Statements/PDP-Limited-Preventive-Registrations-Timeline.pdf>