



Comments of **MARQUES, the European Association of Trade Mark Owners
on the Independent Review of the Trademark Clearinghouse (TMCH) Draft Report**

Introduction to **MARQUES**

MARQUES is the European association representing brand owners' interests. The **MARQUES** mission is to be the trusted voice for brand owners. **MARQUES** unites European and international brand owners across all product sectors to address issues associated with the use, protection and value of IP rights, as these are vital to innovation, growth and job creation, which ultimately enhance internal markets.

MARQUES membership crosses all industry lines and includes brand owners and trademark professionals in more than 80 countries representing billions of dollars of trade annually. The trade mark owners and practitioners represented by **MARQUES**, together, own more than three million domain names and advise organisations of all sizes on rights protection in the domain name system. These domain names are relied upon by consumers across Europe as signposts of genuine goods and services.

More information about **MARQUES** and its initiatives is available at www.marques.org.

****MARQUES'** comments on the Independent Review of the Trademark Clearinghouse (TMCH) Draft Report**

MARQUES welcomes the opportunity to provide its comments on the Independent Review (Review) of the Trademark Clearinghouse (TMCH) Draft Report. The Review was commissioned by ICANN, and "intended to assess the TMCH services in meeting their intended objectives"¹.

MARQUES would submit that those intended objectives were to enable trademark owners to protect their trademarks across the New gTLDs in a cost-effective manner without undue administrative burden on them, or indeed on the registries who would

¹ ICANN Public Comment page, Section I; <https://www.icann.org/public-comments/tmch-review-2016-07-25-en>

interact with the TMCH to deliver pre-launch RPMs. The TMCH (then called the IP Clearinghouse) was first proposed by the Implementation Recommendation Team (IRT) and intended to “support new gTLD registries, in general, and in operating cost-effective RPMs that do not place a heavy financial or administrative burden on trademark owners, in particular”². In turn, the Special Trademark Issues Review Team (STI), in its Recommendations recognised “that a Trademark Clearinghouse could serve as a convenient location to store registered trademark information in a centralized location on behalf of trademark holders, and could create efficiencies for trademark owners, as well as registries which will benefit from having one centralized database from which to interact to obtain the necessary trademark information to support its pre-launch rights protections mechanisms”³.

In conducting a Review to determine whether the TMCH services have indeed met those intended objectives, consideration must also be given to the Advice and recommendations of the Governmental Advisory Committee (GAC), which called⁴ for a “comprehensive post-launch independent review of the Clearinghouse be conducted one year after the launch of the 75th new gTLD in the round”. The GAC identified certain specific questions which ought to be considered during that review, as follows:

1. The matching rules for both the Claims and Sunrise service should be extended to include both “mark plus key term associated with the goods or services identified by the mark and typographical variations identified by the rights holder”;
2. With respect to the question of extending the term for Claims notices:
 - a. a consultation with registry providers, registrants and rights holders on the benefits or otherwise of extending the period;
 - b. an analysis of the impact of the operation of the Clearinghouse notifications on the commercial watch services market;
 - c. an assessment of the likely resource requirements for extending the Claims notices for the life of the registry.

It should be noted that although the GAC asks these specific questions, it is clear from the context that they are not intended to be exhaustive. As the GAC advises, “this review should examine whether the aims, functionality and operation of the Clearinghouse would benefit from incorporating the current GAC proposals as well as any unforeseen questions and issues that may arise following the launch of the round”. This could be expected to be taken into account, therefore, by the stated aim of

² IRT Final Report on Trademark Protection in New gTLDs, p 13

³ STI Recommendations, p4

⁴ GAC comments on the Applicant Guidebook (April 15th, 2011 version)

assessing the “effectiveness of key areas related to the TMCH in meeting its intended objectives”⁵.

Unfortunately, the Review which has been conducted fails to live up to both those wider expectations and the narrower specific questions identified by the GAC:

1. There is no consideration given to the potential expansion of the matching rules for the Sunrise at all.
2. Whilst the expansion of the matching rules is considered for the Claims Service, this does not include an assessment of expansion to “mark plus keyword”, despite this having been specifically identified by the GAC and despite extensive comments calling for this from the trademark community, both during the development of the New gTLD RPMs and in relation to the Staff Review in 2015.
3. The Draft Report concludes that the data gathered does not permit a cost-benefit analysis of expanding the matching rules, again despite this being one of the key questions the Review was intended to answer.
4. There appears to have been no investigation relating to commercial watching services, when considering the extension of the Claims period.
5. There is also no evidence that an assessment was conducted into the resource requirements of extending the Claims period.
6. As with the expansion of the matching rules, the Draft Report concludes that the data gathered does not permit a cost-benefit analysis of extending the Claims period.
7. The Review is apparently unable to conclude from the data gathered whether the Claims notices have a deterrent effect either on trademark-infringing domain registrations or on registrations in good faith. It does not seek the additional data which might permit such a conclusion, despite this being a key consideration for any comprehensive review of the TMCH.
8. The Review makes no investigation into the cost-effectiveness of the protection for trademark owners generally. Despite competition in service provider

⁵ ICANN Public Comment page, Brief Overview

generally being considered to drive cost-reductions, this is viewed as being out of scope “our review is focused on the services of the TMCH and not its service providers”.

9. The Review also makes no investigation into the impact that the well-publicised high Sunrise costs in a number of registries may have had on utilisation of this RPM. Nevertheless, the Draft Report draws the meaningless conclusion that “the use of the Sunrise period can be interpreted as a sign that trademark holders value the benefits of being able to register domain names matching their trademarks in the new gTLDs before the general availability period at least as much as the cost differential between Sunrise registration prices and general availability prices”.
10. Finally, the Review ignores third party uses of the TMCH, when assessing its value and effectiveness. Domains Protected Marks Lists (DPML) are additional, registry-specific RPMs that some registry operators have adopted. They utilise SMD files, and thus trademark owners intending to take advantage of any of the DPMLs would need to place their marks in the TMCH. The acquisition of a block would also have a direct impact on Sunrise and Claims Notice numbers across those registries impacted by the block.

As such, the Draft Report presents as a wasted opportunity. Unless these failings can be corrected for the Final Report the conclusions which have been drawn appear to be of little or no value. As the Draft Report itself acknowledges at page 15 “these results should not be relied upon to make policy recommendations”.

We thank you for your kind consideration of the above comments.

Yours sincerely,

Submitted on behalf of **MARQUES**

1 September 2016



Signed on behalf of Michael Zoebisch, Chair of **MARQUES** Cyberspace Team