



Comments of ECTA, the European Community Trade Marks Association and MARQUES, the Association of European Trade Mark Owners on STI Recommendations¹.

25 January 2010

About ECTA and MARQUES

MARQUES represents trade mark owners across Europe who together own more than two million domain names (a conservative estimate). These domain names are relied upon by consumers across Europe as signposts of genuine goods and services.

ECTA is the European Communities Trade Mark Association. ECTA numbers approximately 1500 members, coming from the Member States of the European Union, with associate members from all over the world. It brings together all those persons practising professionally in the Member States of the European Community in the field of trade marks, designs and related IP matters.

Comments

MARQUES and ECTA have been closely following developments concerning the roll-out of the new gTLDs and expect ICANN to take appropriate measures to help trademark owners to tackle infringement. After submitting comments on the previous drafts, MARQUES and ECTA would like to express their views on the STI report and, in particular, to raise an issue that requires urgent attention concerning the eligibility of registered trademarks in the TC.

According to Section 5.2(i) of the STI Recommendations, the inclusion of a trademark in the Trademark TC could be subject to the existence of a “substantive review” procedure in the country where that trademark has been registered. We see a real issue with the concept of “substantive review”. Our first difficulty is that there is no universal definition of what is “substantive review” and the terms are subject to interpretation. This criterion will undergo the same criticism that arose in earlier discussions about Rights Protection Mechanisms in connection with the subjective definition of the “well-known trademarks” for the proposed “Globally Protected Marks List”.

However, based on the assumption that the intention is to cover only those trademarks registered with IP Offices that ex officio examine applications in regard to relative grounds², our second point is that

¹ <http://www.icann.org/en/announcements/announcement-2-17dec09-en.htm>

² Relative grounds being a consideration of prior registered or unregistered rights relevant to the trade mark application in question

there is no worldwide acceptance that a trademark registered following a “substantive review” by a local office has a wider scope of protection and validity than a trademark that has not gone through this process. In many jurisdictions the civil courts have the authority to challenge the validity of a trademark, even where there has been an ex officio examination applications on relative grounds. The trademark offices render decisions limited to administrative effects. ICANN cannot decide upon the validity of a trademark and hence the opportunity of its inclusion in the TC based on an administrative decision that could be reversed by a civil court. The same applies for the new gTLD registries who should not be allowed to select and admit marks only from jurisdictions that undertake substantial review.

Thirdly, the alarming consequence of this recommendation from the STI is that many European trademark owners, including those with marks registered through the Community Trade Mark office (OHIM) and in countries such as Austria, Belgium, Luxembourg, the Netherlands, France, Germany, Italy, Spain, Switzerland and, arguably, the UK risk exclusion from the TC system. We cannot find any justification in this criterion especially when the European Union has a trademark practice that is recognized worldwide. In addition, the current evolution of trademark law is moving more towards national and international systems where rights-owners have to look after their own rights (by means of watching, oppositions or legal action) rather than trademark offices refusing applications for registrations on relative grounds (for example, the change practice on examination on relative grounds at the UK Intellectual Property Office).

Indeed, trade mark owners across the world would be disadvantaged. Tables 3 and 4 of the Summary Report of the Madrid System for the Year 2008³, show that over one third of the top 30 filing countries and top 30 designated countries do not carry out ex officio examination on relative grounds.

Many trademark owners cannot afford to register in more than one jurisdiction and we believe it is essential that the TC should treat all registered marks equally, without exception.

The exception proposed under the first sentence in point 5.2(ii) also gives too much discretion to the registries, which could lead them to decide upon arbitrary criteria in order to promote one stakeholder over another. Such a discretion will, inevitably, lead to abuse.

For the same reasons stated above, ECTA and MARQUES believe that the recommendation under point 6.2 needs revising to remove the reference to the “substantive review” criterion.

To help to resolve these issues, MARQUES and ECTA ask ICANN to commission a report from WIPO with a view to identifying the best possible workable solution that accords to established legal traditions and administrative practices.

Needless to say, MARQUES and ECTA support the existence and implementation of a proper TC. We attach a schematic showing one of the ways that a TC could work. It is paramount that the proposed

³ Available at <http://www.wipo.int/madrid/en/statistics/pdf/summary2008.pdf>

measures do not preclude trademark owners from benefiting from a TC based on national requirements. The Recommendations must consider the sole existence of a registered trademark as the criterion to decide the inclusion of such a mark in the TC instead of submitting its inclusion to additional subjective requirements, in particular those proposed under points 5.2(i), 5.2(ii) or 6.2.

Furthermore, we can see no benefit in the creation of regional Clearinghouses. This will lead to inconsistency in the validation of trade mark rights and forum shopping. More importantly, it could also add very significant costs to new gTLD registry operators as they are forced to interact with more than one Clearinghouse. It should be adequate for ICANN to insist that the Clearinghouse operator has global expertise and information. There are several providers of trade mark search and watch services who provide global coverage.

Finally, MARQUES and ECTA support the URS as a low-cost and rapid means of tackling abusive domain name registrations where is no genuine contestable issue as to the infringement and abuse that is taking place. This is a long overdue, and very welcome, proposal.

However, there are three areas where we believe the current proposal could be improved:

- First, we believe that a successful complainant should be given the option of requesting a transfer of the domain name either on winning the complaint or when the current registration period expires (as is allowed at DENIC under its “Dispute Entry” programme). The current proposal of allowing disputed domains to be returned to the pool of available domains will encourage drop-catching and could put a trade mark owner to significant extra trouble.
- Second, we believe that if the complainant has to demonstrate rights in a term then a respondent to a URS should also be required to prove that it has a legitimate interest in a term that is identical or confusingly similar to the complainant’s trade mark.
- Third, we would like to see ICANN maintain a centralized, searchable database on URS decisions as well as data. UDRP data is currently spread across providers with WIPO, ADR.EU, NAF etc. maintaining their own statistics.

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How A Trademark Clearinghouse Might Work

Some diagrams and notes on how a Trademark Clearinghouse could work.
A discussion document prepared for the Intellectual Property Constituency, November 2009



Disclaimer: This information has been prepared by Nick Wood of Com Laude. Nick Wood was a member of the IRT and has consulted for a number of registry operators on Pre-Launch Rights Protection Mechanisms. The model described here is just one of the ways that a Clearinghouse could work. Any errors are the responsibility of Nick Wood. Contact nick.wood@comlaude.com with any questions or comments.

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Submission of IPR validation/authentication requests to the Trademark Clearinghouse

Example 1

Owner of registered trademark featuring ASCII characters only submits IPR validation request plus certified copy of trademark certificate plus fee via web interface.

Via web interface

Example 2

Owner of unregistered right (e.g. a shop owner in Chile or South Africa who has a protected Trade Name) submits IPR validation request, together with form confirming the existence of the right, countersigned by local attorney plus electronic evidence of the existence of the right plus fee via web interface.

Via web interface

Example 3

Accredited registrar representing registered rights owner applying on the basis of a logo/device mark submits IPR validation request, plus certified copy of the trademark certificate plus fee via EPP / XML.

Via EPP or XML



Via EPP or XML

Example 4

Accredited registrar representing an unregistered rights owner (e.g. a Trade Name as protected in 173 countries under the Paris Convention) submits IPR validation request, together with form confirming the existence of the right, countersigned by local attorney plus electronic evidence of the existence of the right plus fee via EPP / XML.

Example 5

Attorney representing a registered rights owner applying on the basis of a trademark filed in Korean at the Korean Patent & Trademark registry submits IPR validation request plus certified copy of the trademark certificate (which will also be in Korean) plus fee via web interface.

Via web interface

- i. All forms downloadable/uploadable from site of Clearinghouse using web interface or EPP.
- ii. IPR validation requests submitted on the basis of an Unregistered or Common Law Right will only be accepted if the country where the applicant is based accepts Unregistered or Common Law Rights.
- iii. An applicant may be required to submit hard copy information supporting an IPR validation request. For example, in cases of IPR validation requests based on unregistered rights such as Trade Names as protected under the Paris Convention (see listing of 173 countries at www.wipo.int/treaties/en/ShowResults.jsp?treaty_id=2), hard copies of materials showing use of the right (e.g. brochures, advertisements) perhaps counter-signed by a local attorney could be required.
- iv. IPR validation requests can be submitted at any time but order of submission / receipt does not bestow any advantage. Validation Agent authenticates requests based on registered rights directly at

Patent & Trademark Offices as far possible as third party databases can be out of date.

- v. Clearinghouse will process and validate any number of IPR validation requests for a character string that has different owners in different classes of goods or services or different jurisdictions. The Clearinghouse does not operate first come only served policy.
- vi. Acceptance of an IPR validation request by the Validation Agent does not grant any right. The Validation Agent does not award any domain name registrations. The Validation Agent verifies the existence of a right and its ownership, accepting liability for accuracy: The Validation Agent guarantees that an IPR validation request that is approved for entry into the Data Centre was accurate at the time when validated.

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IPR validation requests are authenticated by Validation Agents within the Trademark Clearinghouse

IPR validation requests submitted by:

- Registered rights owner →
- Unregistered rights owner →
- Registrar →
- Attorney →



Validation Agent may contact applicant or applicant's agent for additional information

A Validation Agent employed within the Validation Centre who is expert in trade mark law will authenticate the following details of each application (non-exhaustive list):

i. IPR Details:

Type of right in so far as it is protected in the country from which the IPR validation request originates (word mark; device mark; designation of origin; geographical indicator; type of unregistered right such as Trade Name); Application and registration date for trademarks; Incorporation date, date of establishment etc. for unregistered rights; NICE Classification; registration number at a PTO etc.

ii. IPR Owner:

Name of owner; address; country; admin contact; other contact information (email; telephone).

iii. Authorised Users:

Trademark licensee; parent company; subsidiaries

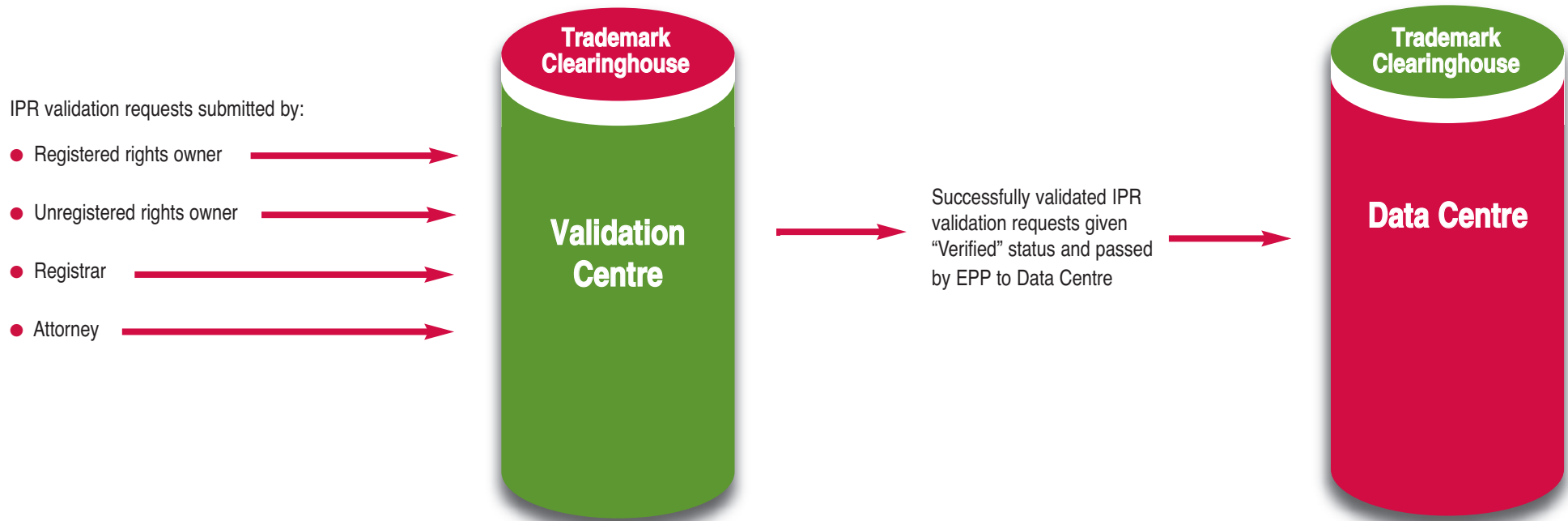
iv. IPR Evidence:

Evidence of trade mark registration; evidence of use of right; evidence of incorporation or establishment; evidence type of unregistered right exists in country of applicant; bona fides of attorney certifying existence of a right.

The Validation Agent will also inform the applicant or the agent of the applicant who submitted the IPR validation request if any hard-copy evidence is required. A key role of the Validation Agent is to assist applicants who submit IPR validation request that are ineligible through administrative errors to correct these errors.

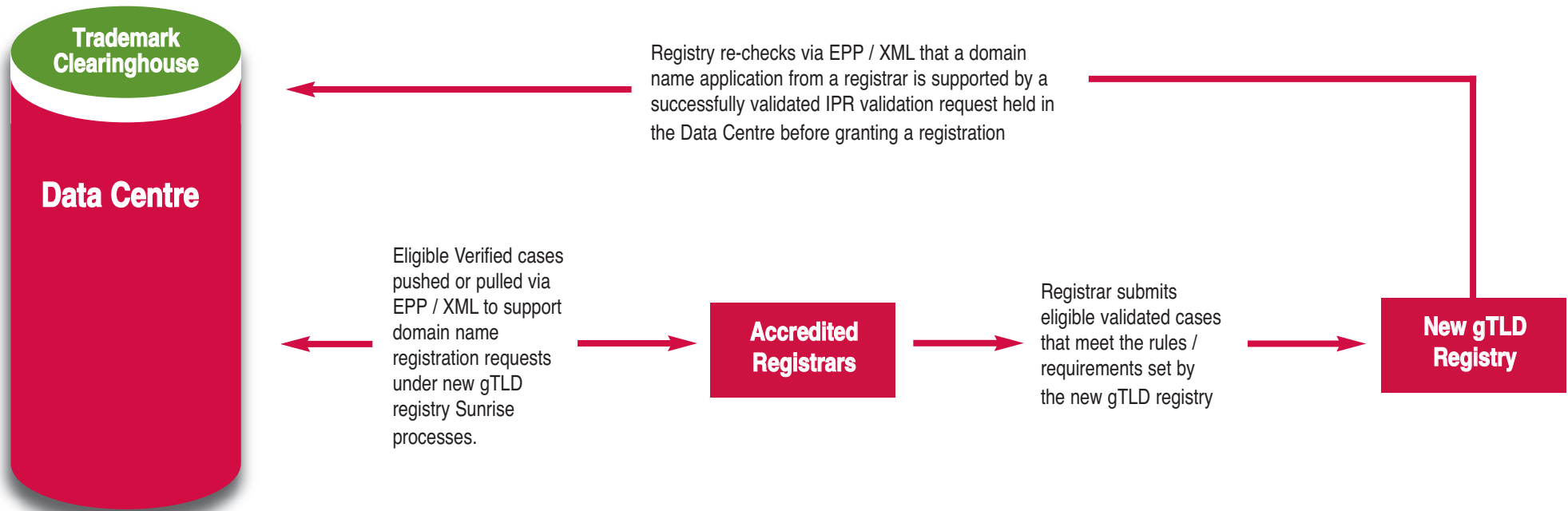
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IPR validation requests that have been authenticated are passed from the Validation Centre to the Data Centre



- i. Data Centre is secure, stable and must be available 24/7.
- ii. The Validation Centre communicates with Data Centre by EPP or XML.
- iii. The Data Centre awards each successfully authenticated IPR validation request a unique reference code that identifies the term and its owner.
- iv. A successfully validated IPR validation request in the Data Centre can be locked to a registrar.
- v. The Data Centre escrows its data and can also distribute to registry operators and registrars information on successfully validated IPR validation requests that relate to them. This helps to minimise single point of failure risk.
- vi. Details of each IPR validation request that is approved and passed to the Data Centre could be published in a "WhoHas" database so that 3rd parties can verify whether the IP right complies with the registration requirements / Sunrise rules of a particular registry where the validated request has been used.

Authenticated cases stored in the Data Centre are pushed to / pulled by registrars in order to submit registration applications to new gTLD registries



- i. Each new gTLD registry defines its own rules of eligibility and the Rights Protection Mechanisms it prefers.

Common options are:

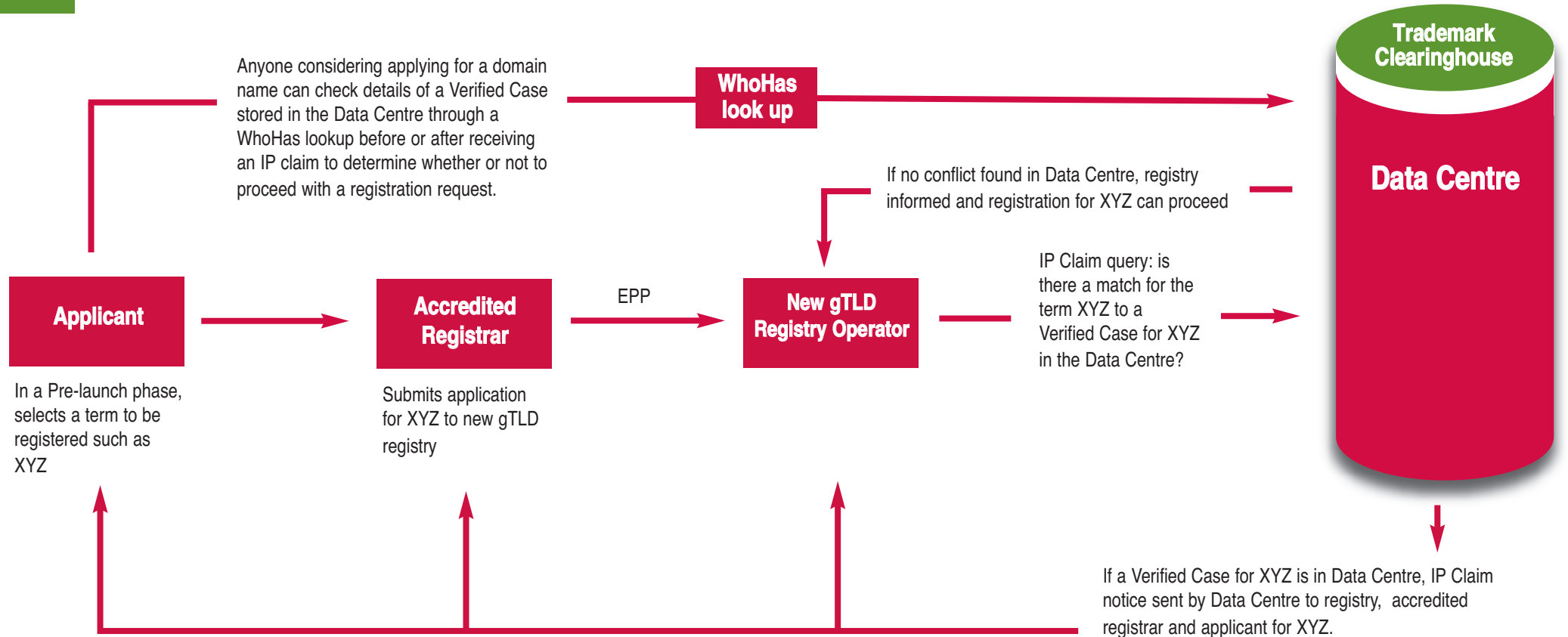
- 1st Past Post Sunrise for registered rights owners
- 1st Past Post with phases for registered and unregistered rights owners
- A Sunrise for rights owners with auctions held between eligible applicants who competed for the term.
- A Round Robin Sunrise accepting one application from each registrar that chooses to participate in a Sunrise in turn
- An IP Claims Service

(For detailed analysis of how each of these mechanisms has been used in previous TLD launches, see "A Perfect Sunrise" produced by IPC in June 2008, now available from the ICANN website at <http://www.icann.org/en/topics/new-gtlds/perfect-sunrise-jun08-en.pdf>).

- ii. The operator of the Trademark Clearinghouse (especially the Validation Centre) could be required to advise prospective new gTLDs on matters of policy pertaining to pre-launch RPM.
- iii. Neither the operators of the Validation Centre or the Data Centre set the rules that a registry follows. Nor does the Trademark Clearinghouse decide who gets a domain before any other party. The Clearinghouse simply removes cost from the process for rights owners who do not have to submit the same information time and again to different registries and different validation agents. Unregistered rights can only be allowed from jurisdictions where they are recognised under local law. The Validation Agent can maintain a public list of these jurisdictions and a non-exhaustive list of the types of unregistered rights that are acceptable in each jurisdiction.

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The Data Centre supports the IP Claim Process



i. An IP Claim does not prevent an applicant from registering a domain name. It simply informs the applicant that following a successfully validated IPR validation request, a verified trade mark right on the applied for term exists in the Trademark Clearinghouse Data Centre. The aim of the IP Claims Service is to help parties to avoid disputes. The recipient of an IP Claim may choose another term that avoids conflict or, satisfied that there is no conflict because of jurisdictional differences or intended use of the term, may proceed. The wording of an IP Claim notice must be very clear to minimise any chilling effect.

ii. It is important that IPR Validation requests that are successful and are entered into the Data Centre are revalidated annually. This could be a self-certification process, with at least one third of the all self-certifications being rechecked directly at the registries or through contact with owner of the right.

iii. Access to the WhoHas should be configured to deter data mining. Ideally only the details of a particular case or term can be checked.


Trademark Clearinghouse
Validation Centre
What it does:

- Authenticates intellectual property rights through research e.g. directly at trademark offices (registered rights) or through review of other sources for unregistered rights such as lists of registered trade names in countries where these are protected
- Help applicants to correct administrative mistakes in an IPR validation request
- Gives each IPR validation request it finds to be current and correct a unique case number and "Verified" status
- Accepts liability for awarding "Verified" status
- Passes "Verified" cases to the Data Centre by EPP / XML
- Revalidates e.g. 50% of "Verified" cases in the Data Centre every year

What it will not do:

- Prioritise or bestow any advantage on any request for validation
- Reject an IPR validation request because the same term owned by another party has already been validated
- Disadvantage any IPR validation request because it is in a non-ASCII script
- Award domain name registrations


Trademark Clearinghouse
Data Centre
What it does:

- Holds all IPR validation cases that have been given "Verified" status by the Validation Centre
- Awards each "Verified" case a reference number that identifies term and owner
- Stores copy of database in Escrow
- Operates a "WhoHas" database lookup so the records in the Data Centre can be checked by any third party
- Supports any Accredited Registrar by providing a case reference number for the registrar to use in a registration request; or pushes lists of "Verified" cases that meet eligibility requirements of a registry to that registry
- The Clearinghouse will save registrants from paying for the same data to be validated over and over at different registries for multiple fees. It ensures consistency. It can support any type of pre-launch rights protection mechanism from a Sunrise to an IP Claims Service, as selected by any registry.
- Supports the IP Claims process by sending out IP Claims when a third party applies for a "Verified" term stored in the Data Centre

What it will not do

- Award domain name registrations
- Prioritise any "Verified" case over another
- Disadvantage any "Verified" case because it is in a non-ASCII script
- Support front-running