

Registrar Stakeholder Group Comment: IPC/BC “Strawman Proposal”

Finally close to the launch of new gTLDs, the ICANN community finds itself needlessly distracted by the reopening of previously settled agreements on new gTLD rights protection mechanisms (RPMs).

The Registrar Stakeholder Group (RrSG) is troubled at this attempt to modify important elements of the program, long after community agreement was reached in good faith.

Executive Summary

The RrSG submits:

- The IPC/BC proposals (the so-called “strawman”) are best described as changes to policy vs. points of implementation, and deserve consultation by the GNSO Council—not as a manner of intentional delay, but rather to ensure significant policy considerations are reviewed by all stakeholders.
- The proposals impose a burden on registrars and their customers that have not been sufficiently estimated or mitigated.
- ICANN’s communications about these matters has been confusing and at times contradictory.
- While the RrSG appreciates staff’s new focus on moving the program forward, the process by which these proposals were entertained—or the fact that they were entertained at all at this stage—undermines the bottom-up consensus model on which ICANN is based.

The process

The RrSG values the fact that under its new leadership, ICANN staff is rolling up its sleeves to finally see new gTLDs through, and to broker compromises where appropriate. However, staff must take care to recognize where such efforts can legitimately be applied. ICANN’s model is one where the community’s role prevails. As ICANN Chairman Steve Crocker and other Board members said at the Toronto ICANN meeting (emphasis added):

“The rights protection in new gTLDs. The Intellectual Property Constituency and Business Constituency reached consensus on further mechanisms for new gTLD rights protection and agreed to socialize these to the rest of the GNSO and the Board looks forward to receiving input on these suggestions from the GNSO. So that is our plan, so to speak, which is we will continue to listen and wait for this to come up.”

<http://toronto45.icann.org/meetings/toronto2012/transcript-public-forum-18oct12-en.pdf>, p.12

Legitimately, new RPMs should have GNSO Council support to be considered at this stage of the new gTLD program. However, such support does not exist. Use of the word “consensus” to describe agreement between two (out of several) GNSO stakeholder groups is not equivalent to broad community support. And the use of the term “solution” to describe this model suggests the need to repair an insufficiency, when in fact new gTLD RPMs are far more extensive than those in the current name space.

Additionally, new gTLD RPMs were finalized in the Applicant Guidebook. (Note that mandating these protections only for new gTLDs creates a competitive imbalance, as they are not required for the existing services we offer to registrants via gTLDs or ccTLDs. Some applicants, however, have further added elective RPMs to their plans—many of which registrars will adopt as a matter of choice, not something forced on the community by narrow interests.)

The RrSG finds merit in NTIA Administrator Lawrence Strickling’s letter to Chairman Crocker, which speaks in part to that issue and addresses appropriate methodology (emphasis added):

“We encourage ICANN to explore additional trademark protections across all TLDs, existing and new, through community dialogues and appropriate policy development processes in the coming year.”

<http://www.icann.org/en/news/correspondence/strickling-to-crocker-04oct12-en>

The Proposals

Claims 1 Extension to 90 Days

The RrSG finds no basis for extending Claims 1 to 90 days from the current 60. If, however, such a proposal is to be considered, it is appropriately the remit of the GNSO Council as a policy matter.

The RrSG attributes this position to the following:

- ICANN CEO Fadi Chehade’s 19 September 2012 letter to the U.S. Congress, which states in part:

“For the first round of new gTLDs, ICANN is not in a position to unilaterally require today an extension of the 60-day minimum length of the new trademark claims service. The 60-day period was reached through a multi-year, extensive process with the ICANN community.”

<http://www.icann.org/en/news/correspondence/chehade-to-leahy-et-al-19sep12-en>

The RrSG agrees that re-interpreting policy as “implementation” should not manifest in unilateral extension of the 60-day minimum. This is in fact a long-settled matter and should not be changed without council action.

- There was unanimous agreement from the Special Trademark Issues (STI) team that claims should be an RPM that applies pre-launch, not post-launch. A reversal of this recommendation should appropriately be a GNSO Council decision.
- The ICANN Board’s agreement on 60 days as a sufficient period for claims.

The RrSG refers to these established decisions and believes they should not be changed (and if changes were to be considered, they must be the result solely of GNSO Council action).

The RrSG also finds it necessary to evaluate changes to technical systems. An extension to 90 days would burden registrars who have configured systems for 60 days; further the RrSG reminds the community that engineering schedules are set well in advance.

Claims 2

Claims 2 can be categorized only as a new RPM and, as such, would require community review and approval. Such a proposal could have substantial impact and thus requires review of the complexities involved.

The RrSG has many concerns regarding such a service. For example:

- Would the service impact legitimate use of common names?
- Would registrants entitled to non-infringing names be disenfranchised?
- How would our customers be impacted in the registration process?
- What are the implementation burdens on registrars?
- What are technical system requirements?
- What technical commands will need to be created and implemented?
- How are payments to be distributed and accounted for?

Additionally, the RrSG is concerned about implementation risk—registrars would bear the burden of building this system at their own cost and risk. As proposed, rights holders may opt out of Claims 2, which would reduce the likelihood of cost recovery. In effect, registrars would be financially burdened in order to alleviate the theoretical need to protect against infringing registrations via a service that ultimately may be little used. Referring to Claims 2 as voluntary is a misstatement—rights holder participation would be voluntary, but other parties' burdens would be mandatory. And engineering development times should reasonably be taken into account.

The purpose of the Council is to be the forum for the community to collaboratively answer questions such as these before recommending policy.

The RrSG further notes that Claims 2 is proposed only for new gTLDs, and not existing gTLDs or ccTLDs. This represents harm to registrars by artificially restricting the commercial viability of services offered to our customers. Registrars intend to make new gTLD registrations available to their customers; however, some could simply elect not to assume the risk inherent in Claims 2 and thus sell only existing gTLDs and ccTLDs—a contravention of ICANN's goal to increase competition and consumer choice.

Sunrise notice requirement

The RrSG does not object to a 30-day notice to trademark holders regarding sunrise.

Extension of Trademark Claims Scope

Staff's statement that expansion of trademark claims scope beyond exact match would be a policy change. Staff's letter to the US Congress explains the situation correctly:

“It is important to note that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or creator of new rights. Extending the protections offered through the Trademark Clearinghouse to any form of name would potentially expand rights beyond those granted under trademark law and put the Clearinghouse in the role of making determination as to the scope of particular rights. The principle that rights protections ‘should protect the existing rights of trademark owners, but neither expand those rights nor create additional rights by trademark law’ was key to work of the Implementation Recommendation Team...”

This is consistent with prior community action, whereby:

- The STI voted with “broad consensus” to limit trademark claims to only identical match.
- The ICANN Board affirmatively stated that trademark claims should be limited to only identical match.

Reversal of these community agreements, and expansion of trademark rights beyond law, is inappropriate. The community has correctly determined the potential harm outweighs any benefit and would negatively impact registrants.

Blocking

As with expansion of scope, the RrSG finds that any blocking scheme, including “Limited Preventive Registration,” is unsound and does not consider legitimate potential registrants with rights to non-infringing domain names. The RrSG strongly believes this is an unprecedented expansion of trademark rights, would injure the new gTLD program by removing swaths of generic terms otherwise available to legitimate registrants, and should not be considered.

In summary, the RrSG:

- Underlines and reaffirms the appropriate role of the GNSO Council in determining matters of policy.

- Finds, based on its experience, that the potential harms of the proposals significantly outweigh any perceived benefit.
- Urges all members of the community to honor the good faith agreements reached on established policy matters, and not make side-door attempts at new policy.

The RrSG appreciates the opportunity to provide comment on this matter.

The opinions expressed by the RrSG in this Position Paper should not be interpreted to reflect the individual opinion of any particular RrSG Member.