



**Comment on Draft Report:
Rights Protection
Mechanisms Review**

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Business Constituency Submission

GNSO//CSG//BC

Background

This document is the response of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter:

The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:

1. promotes end-user confidence because it is a safe place to conduct business
2. is competitive in the supply of registry and registrar and related services
3. is technically stable, secure and reliable.

The Business Constituency is pleased to provide answers to selected questions posed in the *Rights Protection Mechanisms Review*, opened for comment on February 2, 2015.

As a general matter, we found the review of the effectiveness of RPMs in New gTLD Program to be quite thorough and believe this effort will further strengthen these necessary safeguards. Further, we believe that ICANN should continue to collect and disseminate data from which to draw conclusions about the RPMs. ICANN should also incorporate into its review a broader range of community input based on staff observations, qualitative reports of abuse or gaming, public comments submitted to ICANN, contractual compliance complaints, and transcripts from public ICANN meetings.

Additionally, the RPMs would be more effective if they were not underutilized. The need for greater outreach is illustrated by the mere 34,400 marks recorded in the TMCH to date (based on data provided in the Draft Report); contrast this figure with the many millions of trademarks registered worldwide. Further research on user awareness of the TMCH and other RPMs would be a useful starting point to determine the extent of these issues.

Finally, we believe there is a need for enhanced oversight over abusive registry practices aimed at taking advantage of the system at the expense of rights owners in violation of the spirit of the RPMs. As an example, the predatory pricing scheme targeted at distinctive trademarks by the .SUCKS registry operator has led to Sunrise fees as high as 10 to 50 times standard pricing. Such practices harm business users as well as the ICANN community and the consuming public and warrant ICANN's serious attention.

Section 3: Trademark Clearinghouse

a. What were the challenges, if any, in terms of satisfying the requirements for trademark inclusion into the Clearinghouse?

In some instances, if the trademark contains an acronym, companies were not able to have the acronym alone protected in the clearinghouse.

Also, a lack of clear communication from the TMCH regarding its processes and requests created challenges. For example, when the TMCH requested the "registration date" it was really asking for the date of issuance of the registration certificate (which may or may not be the "registration date" depending on the respective country that issued the registration certificate).

b. Were there any challenges related to marks from specific jurisdictions in relation to the Clearinghouse guidelines?

Some of our members had difficulty inputting specifications of services in a foreign language (in particular Arabic and other languages that are written right-to-left). In general, entering any non-English text into the form provided by the TMCH was a challenge, as the text needed to be in a format that can be copied and pasted into the appropriate field. Additional challenges experienced were the direct result of challenges with specific jurisdictions and were not necessarily issues caused by the TMCH (e.g. obtaining a copy of the certificate of registration, obtaining a translation of services, etc.).

c. Was the verification process successful in restricting non-eligible trademarks?

Yes.

d. What factors could be considered to make the trademark verification process more effective?

Communication and learning tools could be improved to assist brand owners and TMCH staff in using this new system with its inherent learning curve on both sides. One useful training resource might include sample verification forms from all of the jurisdictions the TMCH supports. One option could be to provide in the form, or as a component, of a guidebook, providing clarification as to the relevant information from the respective jurisdictions that the TMCH will need.

f. Did the Clearinghouse structure successfully balance implementation of the services with data misuse concerns?

Yes. The TMCH should not implement any search and query functions or entertain requests for TMCH data, in consideration of the potential risks of misuse of such data (e.g. gaps in brand protection, social engineering, and phishing).

g. Do the Clearinghouse benefits outweigh the concerns about distribution of data?

The benefits clearly outweigh data distribution concerns, especially since trademark registration data is inherently public and accessible.

h. Were any issues identified relating to misuse of Clearinghouse data?

As detailed in 4 (a) below, TMCH registrations have been used by some registries to charge sunrise registration prices far above general availability.

i. Was the proof of use requirement helpful in meeting the goals of a creating a standard that accommodates practices from multiple jurisdictions?

Yes. Proof of use is an important element in creating an appropriate standard for access to Sunrise services. Such a requirement promotes Sunrise registration by brand owners actively

using their marks, and prevents gaming (e.g. where a party obtains a spurious trademark registration in a jurisdiction that does not require trademark use and could thereby obtain a domain name in Sunrise over a legitimate brand owner or use the registration to acquire an otherwise-generic domain during Sunrise). The parameters of the proof of use requirement were sufficiently broad and not burdensome.

k. Was the proof of use requirement successful in restricting the Sunrise period to Sunrise-eligible rights holders?

We believe it was, but additional metrics and data on potential gaming of Sunrise services through spurious trademark registrations with “token use” would be useful.

l. What factors could be considered to make this process more effective?

The TMCH document upload system was not particularly user-friendly. For instance, there was no ability to delete a file prior to submission (if the wrong file was uploaded inadvertently, the process would have to be reinitiated from the beginning). Another possible consideration to streamline the submission and verification process might be the addition of an electronic signature option for the declaration of use.

m. Should the verification standards in the Clearinghouse Guidelines be adjusted in one or more areas?

Any mark containing word elements, including marks that may also contain or incorporate design or figurative elements, should remain eligible for entry in the TMCH so long as they can reasonably be distilled into just the word mark itself.

The TMCH should continue to prohibit marks that include a TLD or consist of a TLD (e.g. .ICANN).

As applied to registered trademarks, Section 5.3.1 of the TMCH Guidelines should more clearly designate that “Registration Date” means the date the Certificate of Registration was issued, as opposed to the start of the registration term (which in some jurisdictions relates back to the application filing date).

n. Could verification standards used by the Clearinghouse be adjusted to better serve rights holders in all global regions?

Greater outreach to global rights holders, particularly in underserved regions or regions shown to have underutilized the Clearinghouse, would be beneficial.

Section 4: Sunrise Period

a. How effective is the Sunrise period for protecting intellectual property rights?

While the BC supported the compromise to allow for a 30-day notification period followed by 30-day sunrise period, we maintain our position that advance notice alone is not sufficient for businesses to manage the multitude of simultaneous sunrises. We therefore continue to believe that a 60-day sunrise would be more valuable than the current system. Additionally, ICANN should take action against exorbitant and extortionate Sunrise registration fees.

While TMCH was meant as a protection measure for rights holders, and while the expectation was that registries would price sunrise registrations at cost-plus-a-modest markup, TMCH registrations have been used by some registries to charge sunrise registration prices far above general availability. .Sucks is an extreme example at \$2500 per year, but some other registries are charging \$200 and up for them. A potential remedy would be to limit sunrise pricing of TMCH registered terms to cost-plus.

b. Are the Start-Date Sunrise and End-Date Sunrise alternatives useful?

It would be most equitable to rights holders for all registries to implement a single uniform 60-day End-Date Sunrise system across all open new gTLDs.

c. What were the challenges, if any, in terms of registering a domain name during the Sunrise period?

Inconsistent methods across registrars for the acceptance of SMD files posed a significant challenge.

d. What factors can be addressed to make Sunrise processes more effective?

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. We therefore suggest standardization be required in future rounds of new gTLDs.

g. Is there an appropriate balance of registry discretion to reserve names from registration and the inclusion of names in the required RPMs? Should additional considerations be applied around registry allocation practices and their interaction with the required RPMs?

Some registry operators are taking unfair advantage of reserved name and premium name carve-outs from RPM requirements to purposefully withhold well known and distinctive trademark names from Sunrise. ICANN should closely review registry allocation practices to ensure such gaming is addressed.

k. Was the QLP useful for registries in launching and promoting their TLDs? What were the challenges, if any, in terms of operating a QLP? What factors, if any, would make it more effective?

QLPs are particularly useful for business users in developing unique content for new gTLD registries and should remain a viable element of the program.

l. Did the QLP succeed in maintaining safeguards against intellectual property infringement? Were any intellectual property infringement issues noted with regard to names issued as part of a QLP?

The BC is pleased that QLP was implemented along the lines of our earlier comments which requested that names should only be registered to third parties prior to Sunrise if the names do not match any entry in the Trademark Clearinghouse. This sensible approach has limited intellectual property infringement in the QLP.

Section 5: Trademark Claims

a. Is the Claims notice an effective form of communication?

The Claims notice appears deterring some trademark infringement. With respect to the notices sent to brand owners in the event an exact match domain is ultimately registered, these notices effectively communicate the fact of the registration to the brand owner, allowing the brand owner to conduct additional investigation and follow-up as necessary.

d. Is there any other piece of information that should be included in the Claims notice?

The BC believes that consideration should be given to further language in the Claims Notice which clarifies the basic elements of trademark infringement, notes that particular laws vary by jurisdiction, and urges registrants to consult with counsel with any questions.

e. How helpful is it to have the Trademark Notice in English and in the language of the registrant's registration agreement? Should additional language considerations be applied?

If the data show that a disproportionate number of enforcement actions are against registrants from a particular jurisdiction, we may want to consider providing all notices in English and the language of such jurisdiction, regardless of registration agreement language.

f. How could the Claims service be improved?

Primarily, the Trademark Claims service should be extended indefinitely from the current 90-day period. This service allows registrants to make informed decisions and provides essential notification to TM holders. Given its demonstrated value to all parties, it makes no sense to discontinue notification services after an arbitrary period of 90 days.

Further, ICANN should allow rights holders to search for all claims notices issued for their trademarks that involve the same registrant.

g. How useful are extended Claims services?

Please see our response for 5 (f) above. The BC maintains that the Trademark Claims service itself should be extended for an indefinite period.

i. How effective is the inclusion of previously abused labels in protecting against trademark abuse and infringement?

The BC strongly supports the inclusion of previously abused labels, but as stated previously, we believe the limitation to 50 labels is arbitrary and has proven insufficient in certain instances. We also note that the data reflect under-utilization of the service to date (only 324 strings recorded). Perhaps ICANN needs to continue to monitor use and effects of the service, including whether to modify the validation price points for this service, namely \$200 for a court case and \$75 for a UDRP.

l. Is the Notice of Registered Names received in a timely manner?

Yes. Generally, most Notices are received within 24 hours or so of the registration.

m. Did the Notice of Registered Names help trademark holders decide on next steps?

Yes. The notice is an effective first step in ensuring that trademark holders are aware of potentially-infringing domain name registrations.

Section 6: Uniform Rapid Suspension

a. How effective is this service in providing a quick and low-cost process for addressing infringement?

As initially proposed, the BC believed that suspension would be adequate, but the collective experience following delegation of the new gTLDs has shown that it is not an effective remedy after all.

We propose evaluation by the community of alternate remedies for successful URS proceedings (short of compelled transfer) to make them more attractive. For example, this could include (1) an extended suspension of 3-5 years, (2) a right of first refusal to purchase the domain before the registration period expires and the domain falls back into the pool, and/or (3) an option to purchase the domain directly from the registrar within a certain time period following the decision.

e. What factors could be addressed to make the URS more effective?

The use of Clearinghouse Signed Mark Data (SMD) files in Uniform Rapid Suspension (URS) proceedings would help make URS more efficient by leveraging the data already present in the Clearinghouse, thus making better use of the investment of time and resources that Clearinghouse recordations represent for TM owners.

Section 7: Post-Delegation Dispute Resolution Procedures

[No specific questions posed in the report]

The BC values the existing Post-Delegation Dispute Resolution Procedures (PDDRP) and welcomes the deeper community discussions as noted in the report. Until that time, the BC would like to highlight our comments from October 23, 2013 on the Public Interest Commitments Dispute Resolution Procedure (PICDRP). In those comments, the BC:

- highlighted the concerning absence of remedial measures if a Registry Operator is found noncompliant,
- called for a mechanism to report PIC noncompliance without the need to prove harm,
- recommended that PICDRP process and correspondence be made public, and
- requested ICANN to use uniform terms.

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These comments were drafted by Andrew Harris, Andy Abrams, Kat McGowan, Phil Corwin, and J. Scott Evans.

These comments were approved in accordance with the BC charter.