IPC

The Intellectual Property Constituency of ICANN's Generic Names Supporting Organizations

Record of IPC Meeting

Washington DC, 8 May 2012 at the INTA Annual Meeting

Chair: Steve Metalitz, President, IPC

Attendees
Paul McGrady, Winston Strawn
Kristina Rosette, Covington & Burling
David Taylor, Hogan Lovells
Nick Wood, Com Laude/ Valideus
Faisal Shah, MarkMonitor
Fred Felman, MarkMonitor
Brian Winterfeldt, Steptoe & Johnson
Claudio di Gangi, INTA
Stacey King, Richemont
Russ Pangborn, Microsoft
Ann Aikman-Scalese, Lewis & Roca
Ken Taylor, Marksmen
Phil Mareno, Steptoe & Johnson
Joshua Jarvis, IPO
Luca Barbero, Studio Barbero
Jim Bikoff, Silverburg Goldman + Bikoff
David Heasley, SGB
Kiran Malancharuvil, SGB
J Scott Evans, Yahoo!
Laura Covington, Yahoo!
Kevin Kramer, Yahoo!
Jonathan Cohen, Shapiro Cohen
David Weslow, Wiley Rein
Yano Rubinstein, Rubinstein Law
Emily Murray, Steptoe & Johnson
Dennis Prahl, Ladas & Parry
Suzanne Eagle, Deere & Company
Ilene Tannen, Jones Day
Anna Raimer, Jones Day
Nathalie Drefus, Dreyfus
Janni Skou, Thomson Trampedoch
Shelley Jones, RIM
Ellen Shankman, Ellen Shankman Associates
Beth Allegretti, Fox Entertainment
Geri Haight, Mintz Levin
Matt Russotti, Wolfe Domain
Lynne Miller, P&G
Liza Viane
Michael Adams, Mayer Brown

Michael Graham, Marshall Gerstein
Jeff Neuman, NeuStar
Tom Barratt, Encirca
Caroline Chicoine, Frederikson Byron
Mark Edward Davis, Heenans
Steve Levy, Fairwinds
Suzanne Radell, NTIA
Susan Anthony, USPTO
John Rodriguez, USPTO
Michelle Nelles, Torys
Jason Gilman, Torys
Ted Lienesch, Thompson
Kate Dennis Nye, Neal Gerber
Damon Ashcraft, SW Law
Y Peng, Anderson & Anderson
Jay Sanchelima, Sanchelima Asoc
Jon Nevett, Donuts
Stefan Naumann, Hughes Hubbard & Reed

On phone or on-line: Jonathan Zuck and possibly others who did not identify themselves.

Disclaimer
These notes are prepared as a record of the IPC meeting not as verbatim minutes. Any errors or omissions can be attributed entirely to the scribes, Nick Wood and various representatives of Steptoe & Johnson, including mistakes in the names of attendees for which apologies are made. Contact nick.wood[at]comlaude.com if you wish to correct any matters set out below.

Steve Metalitz, current IPC President, introduced the IPC and provided a welcome to INTA members who are new to IPC activities. Steve advised that the meeting would primarily consist of brief presentations from various IPC members, beginning with past IPC President J. Scott Evans.

J. Scott took a few moments to explain the ICANN policy development process, as well as the bicameral houses of the GNSO, one of ICANN's major stakeholder bodies. The GNSO is divided into two sides, each with its own stakeholder groups (contracted parties, which consist of Registries Operators and Registrars; and non-contracted parties, which consist of several commercial and noncommercial stakeholder groups, including the IPC, BC, ISPC and NCUC.

J. Scott expressed the importance of being involved in ICANN activities, as ICANN wants to hear directly from brand owners and not only from industry groups. Indeed, in many circles of the ICANN community, silence from a particular stakeholder or stakeholder group, is interpreted as assent. He encouraged everyone present to join the IPC if they were not already involved, and clarified that individual members now have a vote in IPC policy matters. In addition, all IPC members are able to serve on working groups.

1.   **New gTLD Implementation Issues**

Next, Kristina Rosette, IPC Vice President, discussed new program gTLD implementation issues. She also emphasized the importance of participation, as the introduction of many new .brand registries could change the landscape of the ICANN community dramatically.

Kristina advised that ICANN has announced that new gTLD applicants can withdraw before Reveal Day (for which a new date has not been announced) for a full refund of the $185,000 application fee (previously, withdrawal before Reveal Day would have resulted in forfeiture of the $5,000 deposit). She confirmed that ICANN had not announced a new timeline yet for the gTLD process as of the time of the IPC meeting. She was not aware of anyone who has been notified as affected by the glitch that resulted in the closure of the TAS system and delays in the application process.

A. Application Batching

Kristina also discussed the method ICANN has identified for batching applicants. She expressed concerns that ICANN Board members who should have been identified as having conflicts voted to adopt a particular batching method, named "digital archery," and expressed further concerns that ICANN staff has not clearly explained how this method works. She reviewed her understanding of the digital archery method, in which applicants would select a target date/time and then log into an online interface as close as possible to that time in order to obtain a time differential with a goal of making the differential as small as possible to be batched earlier, with some adjustments for geographic diversity of applicants. She clarified that applicants also have the ability to opt out of participating in digital archery; however, due to the number of applications (likely well over 2,000 will be completed), not being batched in the first or second batches will result in delays of a year or more in being delegated.

Indeed, ICANN has promised that: (1) no more than 1,000 TLDs will be delegated in any given year; and (2) for greater geographic diversity in each batch, selection of Applicants via the digital archery process will rotate through the five ICANN geographic regions. These statements have already led to some gaming among new gTLD applicants, who attempted to quickly create new corporate entities in Africa in the hope of achieving placement in an earlier batch. Kristina also discussed an alternate batching proposal that had been prepared by the IPC. In this proposal, IDN gTLD applications would be processed first, then community TLDs, then geographic TLDs, then .brand and generic TLDs. The IPC has a statement out requesting that ICANN abandon the digital archery process in favor of this sequencing method.

B. Rights Protection Mechanisms

In terms of rights protections in new gTLDs, Kristina explained that ICANN had created the Implementation Advisory Group (IAG). The IAG has completed its work and a draft implementation model for the Trademark Clearinghouse has been issued, and there will be a call next week to discuss how the recommendations should be implemented. One development is that ICANN will be allowing each registry operator to have a full copy of the clearinghouse data. ICANN has not disclosed who has been selected as the clearinghouse provider, resulting in concerns over implementation and launch delays.

In addition, there have been challenges with implementing the URS, namely, difficulties with finding a provider able to administer the needed dispute resolution services for the low price point (approximately $300) that has been targeted by ICANN. There has been no indication that an RFP or RFI has not gone out to select the provider. As a curious budget line item, ICANN seems to have budgeted for a "URS summit," but details were not yet known at the time of the IPC meeting; the URS remains an important issue for brand owners to be following.

> C.   *IPC Preparations for Reveal Day*

Steve Metalitz reminded the attendees that clocks will start running for objections and public comment after Reveal Day. He asked the membership for suggestions on what the IPC should be doing to prepare for Reveal Day. John McElwaine, Chair of the New gTLD Subcommittee of the INTA Internet Committee, advised that all members of the Internet Committee will be assisting with reviewing the new gTLD applications on a few key points, including the strings themselves, mission and purpose, IDNs, Whois, and rights protections. He will be working to organize a succinct way to streamline the review and collation process.

Adam Scoville, Chair of the INTA Internet Committee, emphasized that the Internet Committee's review would not attempt to substitute for the highly detailed reviews needed by each brand owner and each industry for the most relevant applications. Instead, this would be intended as an informal review to inform potential public comments by INTA and the IPC, looking to identity major outliers and incompatibilities with ICANN requirements (e.g., an applicant who wishes to amend the Registry Agreement so that the UDRP is not required). The review will not be intended as a public work product. As an example of additional reviews, Steve Metalitz advised that the COA will focus on reviewing new gTLDs in the content sector, (e.g., .movie, music, etc.), and he has already circulated the criteria that will be used. Adam Scoville advised that the Internet Committee is looking for additional volunteers—specifically, individual IPC members who can review 4-6 policy questions for approximately 10 applications.

Steve reminded the group that the governments, through the GAC, will be able to issue early warnings and it will be important for IPC members to be in touch with their government officials regarding concerns.

2.   .BRAND Applicant Concerns

Next, Brian Winterfeldt, one of the IPC's representatives on the GNSO Council, provided a brief presentation regarding issues for .brand new gTLD applicants. Brian emphasized that there will likely be many changes coming to the ICANN world, and it will thus be important to facilitate more engagement from brand owners.

Brian discussed that one of the major areas of concern for .brand new gTLD applicants is the ICANN Registry Agreement. In order to proceed to delegation, all successful applicants for new gTLDs will have to negotiate and execute a 10-year Registry Agreement with ICANN, and ICANN has stated that it expects registry agreements to be executed substantially in the form presented in the Applicant Guidebook, likely with only two or three material points that may be negotiated. If that is to be the case, it is very important to get the current draft registry agreement in better shape for brand owners. At the moment, a small group is working on identifying the provisions that are problematic for operators of .brand registries, and will be circulating their findings to the larger IPC membership group.

J. Scott added that another problematic area for brand owners is that the Registry Agreement is currently written as if ICANN owns the gTLD string, which could come into conflict with the brand owner's trademark rights.

Brian stated that in addition to the Registry Agreement, another area of concern for .brand registry operators is the restriction on use of geographic names at the second level. As this restriction may actually preclude brand owners from making robust geographic use of their TLDs, it will be desirable to obtain an exception for .brands, or at least develop a more streamlined approval process for the use of geographic names.

Finally, Brian advised that ICANN's current strict definition of "Affiliate" is also problematic for brand owners who want to operate closed registries but offer domain names to parties with related business interests, such as vendors, agents or licensees. Brand owners making robust use of their TLDs will want to advocate for some flexibility in this area.

3.   Additional ICANN Policy Updates

Steve Metalitz discussed two other key ICANN policy issues.

A.   The Registrar Accreditation Agreement

The first is the Registrar Accreditation Agreement (RAA), which is the agreement establishing the rights and responsibilities of ICANN accredited Registrars. ICANN staff hoped to effect changes to the RAA by March 2012 and negotiate draft amendments by the next ICANN meeting in Prague. However, thus far, only a status report has been published. The changes should represent improvements in transparency and general improvements for both old and new gTLDs. One proposal is that registrars will not be required to adopt the new RAA provisions immediately, but will need to adopt them in order to register second-level domain names in new gTLDs. Steve encouraged the membership to stay tuned on this issue.

B.   Whois Reviews

In addition to the RAA amendments, another key issue is Whois. A Whois policy review team has been convened pursuant to ICANN's AoC with the United States Department of Commerce. Under the AoC, the ICANN Board is required to consider the review team's recommendations within six months of issuance. One potential recommendation is for ICANN to reduce the level of Whois inaccuracies by 50% each year. A second potential recommendation is to require accreditation of privacy and proxy services—noting that approximately 20% of existing gTLD registrations use a proxy service and don't list any contact information for the actual owner of the domain name. A third potential recommendation is that all gTLDs adopt a thick Whois, including .com and .net that currently only require only a thin Whois.

The general consensus is that the technical protocol for Whois is very outdated. For example, there is no provision for dealing with data other than Latin characters, and thus no allowance for IDN scripts. It will be important to make sure that technical personnel are not making policy decisions that would compromise Whois accuracy. The right people need to be at the table to discuss the importance of accurate Whois to IP owners. Provisions are already in place for new registries to adopt this. Steve advised that we would need assistance with translating the technical information for the IPC audience.

C.   Contractual Compliance Audits

Steve also explained that ICANN is currently working on improving the tracking for its contractual compliance program. Jonathan Zuck has been engaged with this process. The system that has been

used to date has only tracked initiation of a complaint, but not all of the subsequent activities. ICANN is working on getting more sophisticated software for incident tracking, currently testing two tracking systems and expect results by the end of the month. There should be three months of data from these systems in time for the Prague meeting in June 2012.

Jonathan has interviewed a subset of the IPC, and is planning to interview a subset of the BC to measure response times and other metrics to gauge the effectiveness of ICANN contractual compliance. In addition, the consumer choice working group has been working to develop metrics, and some of the data collected will be useful in this project. He is concerned that ICANN may not be operating on an urgent enough timeline, but will continue to push. Steve requested that IPC members provide feedback to Jonathan to assist with developing the better compliance tracking systems.

4. **Government and GAC Update**

Next, Steve acknowledged the importance of the working relationships with US government officials, and encouraged the international IPC members to consider how to get their government officials involved.

Suzanne Radell, who is with the United States NTIA and serves as the United States GAC representative, expressed appreciation to the IPC and acknowledged her colleagues from the United States PTO. She also acknowledged the importance of IPC members in providing advice to the GAC, and also emphasized the importance of communicating with other GAC representatives from other nations.

A. GAC Early Warnings

Suzanne relayed the GAC's concerns with reviewing all the applications in time to provide early warnings when warranted. For example, in the United States alone, it will be important to ensure all appropriate regulatory bodies can weigh in, as well as state governments. To allow for overall review by the GAC, the initial review for agencies has to be fairly short—around 30 days. In addition, representatives from other nations may also encounter difficulties in reviewing batches of 500 applications in sixty days, especially if there is overlap with the usual summer holiday downtime in Europe. For example, with .bank applications, all of the various European finance ministries will want to weigh in.

Organizations should be able to contact the GAC with their concerns over intellectual property issues. However, it is uncertain at this time whether there are resources in place to manage a high volume of GAC early warnings.

Accordingly, the GAC will aim to meet a 58-day deadline for all GAC early warnings. One complication is that the GAC's work will run concurrently with due diligence background investigations by ICANN on all applicants. Thus, the GAC may not necessarily have access to that investigatory data, potentially resulting in duplicative or wasted effort if any applications flagged by the GAC do not pass ICANN's due diligence background screening. ICANN's selection of the body designated to conduct these investigations is still in process. If the 60-day window proves inadequate to review all applications and the window is not expanded, the GAC may need to make greater use of their formal objection process rather than the early warning process.

B. *GAC Concern With Batching*

The GAC has some concerns over the digital archery process. Indeed, no matter how batching is structured, string contention will cause "clean" applications to be delayed because applications in contention will be processed first.

C. *RAA*

The GAC remains very concerned that they have seen no substantive progress on the RAA since February 2012.

D. *Whois Privacy*

Although there is recognition that privacy or proxy services can be useful to brand owners from time to time, the GAC would like ICANN to introduce consistent rules and to enforce them, as stated in their comments on this matter.

E. *Question and Answer*

Susan Anthony of the USPTO asked Suzanne whether IP owners are better off with ICANN in charge of the internet's addressing systems as opposed to another party such as the ITU. Suzanne replied that the USG supports a multi-stakeholder model and does not think the ITU is an appropriate agency to replace ICANN.

Ellen Shankman asked if ICANN has enough funds for adequate contract compliance. Suzanne Radell said that they should have with an estimated 1,500 new gTLD applications at $185,000 each.

Kristina Rosette asked if the GAC wants to hear from brand owners about rights protection concerns. Suzanne confirmed that she and other GAC members are always pleased to hear from the IPC and individual brand owners.

5. **Preview of Prague ICANN Meeting**

Steve Metalitz bemoaned the fact that ICANN did not publish the agenda for the Costa Rica meeting until very shortly before the meeting and said that he hoped ICANN would publish the schedule and supporting papers for the Prague meeting at least 21 days before it is due to start as mandated in their By-Laws.

He urged IPC members and interested parties to attend the Prague meeting and reported that he had asked ICANN staff to reserve a room to enable the IPC to meet with applicants to discuss their proposed RPM.

Caroline Chicoine asked why the open Board Meeting on the Friday had been cancelled.

6. **Close of Business**

The meeting closed with thanks given by Steve Metalitz to all those who attended and all those who have worked for the IPC.

ENDS
7 June 2012