



TO: ICANN Board

FROM: Intellectual Property Constituency GNSO

DATE: March 14, 2011

RE: IPC Comments to ICANN Board Notes on the GAC New gTLDs Scorecard

The IPC joins the GAC in commending the ICANN Board for the progress made in the Brussels February 28-March 2 consultation and issues that were clarified in that process. In the interest of developing consensus and resolving open issues, the following comments regarding Rights Protection Mechanisms discussed in Brussels and memorialized in the posted Board Notes are submitted by the IPC for consideration by the ICANN Board:

Regarding Registry – Registrar Separation (Item 5), the IPC encourages the Board, prior to launch, to draft specific language referred to in the Board Notes as “requirements and restrictions on any inappropriate or abusive conduct arising out of registry-registrar cross-ownership” to be included in the registry agreement and to seek input from the GNSO Council and others regarding these specific contractual requirements.

Rather than providing a point-by-point analysis for each Note on Item 6, RPMs, the IPC refers the Board to the original recommendations made by the IRT as a package and notes that all Board references to suggestions by the IRT should be considered in light of the fact that the IRT’s recommendations were interdependent and were not meant to be taken individually outside the context of the combined package of Rights Protection Mechanisms. (See, e.g. ICANN GAC Scorecard Notes 6.1.2, 6.12.7.1, 6.2.10.2, and 6.2.6.)

In addition, the IPC would like to make the following clarifications in light of some of the comments made by the Board (and others within the community) in relation to the GAC scorecard and proposals. First, it should go without saying that the GAC and the IPC are separate groups with separate constituencies and both have different opinions on some of the matters before the Board. In fact, the GAC did not wholly endorse every aspect of the IRT report. Specifically, the GAC did not support the concept of the Globally Protected Marks List. Second, and in follow up to the first comment, it is important to address what has been said several times by the Board to the GAC during the Brussels meeting and elsewhere in relation to the GAC requesting mechanisms beyond what was requested in the IRT report. The IRT recommendations were meant as a tapestry of protections and were intended to represent a compromise solution. It was hoped the Board and community at-large would see it as such. Indeed, it was our understanding that the Board understood some of these issues are quite complex and require specialist understanding to implement workable solutions across a variety of regions with a variety of trademark laws and regulations (hence the original intent of forming the IRT to provide advice to the Board). Since the Board or the community did not ultimately adopt the IRT recommendations *in toto*, the fact that the GAC has decided to step in and remedy the issues they still see as outstanding in this area must be kept separate from the IRT report. In other words, the Board and the community, including the IPC, should not use the “not in the IRT report” as a reason for dismissing GAC concerns.

However, with that said, the IPC supports the GAC request (reiterated in its response to the Board’s questions) that the Trademark Clearinghouse and IP Claims service be made mandatory and continue after the pre-launch phase. Additionally, while the ICANN Board believes it may not be workable for rights holders to enter variations on their trademarks into the Trademark Clearinghouse, the IPC recommends that an IP Claims notice issue to a potential registrant with regard to any intended string containing the identical trademark in the string (*e.g.*, onlineshop**kodak**.newTLD or **kodak**shopping.newTLD). Similarly, the IPC



believes that an IP Claims notice should be sent to the rights holder whenever a domain name containing a mark registered in the Trademark Clearinghouse is contained within a string that is registered. As to 6.1.6, the IPC assumes the potential registrant will be required to acknowledge the potential IP claim formally prior to issuance of the registration of the potentially infringing string.

Regarding the GAC's request to make both Sunrise and IP Claims service mandatory as explained in Brussels and further explained in the GAC answer to Board Question No. 2 on the GAC scorecard, the IPC realizes that the IRT report did not call for the mandatory IP Claims service. However, the IPC understands the GAC reasoning and the efficacy of having a mandatory IP Claims service. In addition, the IPC agrees with the GAC that a mandatory IP Claims service would help to reduce the burden on trademark owners by giving them an alternative solution for handling the policing of second level registrations. The IPC further believes that a mandatory IP Claims service would also serve to reduce the number of conflicts by alerting third parties unaware of prior right to claimed prior rights – thereby allowing the would-be registrant to make an informed decision. Lastly, the early alert to trademark owners provided by an IP Claims should also facilitate the amicable resolution of possible infringements avoiding UDRP or litigation.

As to the GAC's recommendations regarding the URS, the IPC has the following views:

- (a) The IPC believes that the bad-faith requirement should remain in the URS given the long standing history of this element in the UDRP and the intended purpose of the URS to deal with “clear cut cases” of illicit and/or infringing activity.
- (b) The IPC agrees with the GAC that any appeal to a decision under the URS must articulate a clear rationale upon which the appealing party is seeking review of the original decision made by an Examiner. Additionally, the IPC agrees with the GAC recommendation that the period for seeking an appeal of a URS decision should be reduced from 2 years to a period not to exceed six months. The IPC believes that any party with a legitimate claim would most definitely seek an appeal immediately, if not within six months. Even in the event of an unwary registrant, the IPC believes that six months is adequate time for the unwary registrant to investigate the situation and file the necessary appeal.

As to the GAC's recommendation regarding the PDDRP, the IPC agrees that the term “affirmative” should be removed from paragraphs 6.1 and 6.2 of the proposed policy. In addition, the IPC believes that there are numerous qualifying terms used throughout both of these sections that must be removed in order to make the policy a viable alternative to litigation. To this end, the IPC has attached a redlined version of the current draft of the PDDRP showing the text without the wording that neuters the effectiveness of the provisions. Finally, the IPC agrees with the GAC recommendation that the standard of proof for the PDDRP should be changed for “clear and convincing evidence” to “a preponderance of the evidence.”

With respect to standards for establishing proof of use of a mark to be applied by the operator of the Trademark Clearinghouse and the IP Claims and URS Examiner, the IPC has not had an opportunity to discuss this requirement. However, the IPC wishes to note that there are two International treaties that specifically prohibit the imposition of a use requirement in connection with the application for or renewal of a trademark registration. Furthermore, a majority of jurisdictions that offer registered trademarks do not mandate a proof of use to obtain or renew a trademark registration. The requirement deserves careful consideration especially in light of the Board's clarification to the GAC that (1) No substantive evaluation at the point of issuance of a trademark registration is required for Trademark Clearinghouse eligibility, IP claims, or filing of a URS complaint, and (2) Trademark Clearinghouse protection will be extended to “marks in addition to registered trademarks AND those protected by treaty or statute” (See Board Note 6.1.1).



The IPC believes that clarification of the above issues will vastly reduce operating costs to the new registries, in particular with respect to investigation of complaints to the registry operator required by Paragraph 7.2.3 lit.d as referenced in Board Note 6.3.6. In several places in its Notes on RPMs, the Board observes that there are “important areas for further discussion”. The IPC agrees and encourages further substantive discussions to resolve the outstanding issues raised by the GAC Scorecard with respect to Registry-Registrar separation and RPMs. Further, the IPC supports the suggestion made by Marques and ECTA in its March 11 letter to the Board recommending that the IRT be reconvened after the meeting in San Francisco for the express purpose of commenting on solutions in connection with RPMs as a result of the GAC-ICANN consultation taking place at this time.

Respectfully submitted,

/s/

J. Scott Evans, President
Intellectual Property Constituency GNSO

Cc: Heather Dryden