

**Comments of the Registries Stakeholder Group**  
*Rights Protection Mechanisms*  
*and the*  
*ICANN Board Letter to GNSO Council*  
**November 23, 2009**

The Registries Stakeholder Group of the GNSO (RySG) appreciates the opportunity to provide these comments on one of the proposed Rights Protection Mechanisms, the IP Clearinghouse, proposed by ICANN in the latest version of the Draft Applicant Guidebook v. 3 and the questions raised on this subject by the letter sent by the ICANN Board to the GNSO Council regarding the proposed Clearinghouse and URS process. The comments that follow represent a consensus position of the RySG as further detailed at the end of the document.

The RySG notes that above all, any protections for the Intellectual Property rights of third parties must be reasonable and feasible from a business, financial and technological standpoint. In addition, all protections must be balanced against the one of the fundamental tenants of introducing new TLDs in the first place, the promotion of competition. The RySG believes that any new rights protection mechanisms must not be so onerous as to increase the costs of operating a new TLD to a point which leads to higher costs than those that operate existing TLDs. To do so would put new registries at a disadvantage as compared to those existing operators and would have the effect of reducing (as opposed to increasing) competition.

With respect to the specific questions asked by the ICANN Board, the RySG submits the following:

1. Is there a potential chilling effect on registrations if a trademark holder contacts a registrant before the registration is made?

*The RySG agrees with the IPC in its response on this point. If a registry elects to implement a pre-launch IP Claim process (as implied by the question), there could be no chilling effect on a registrant before the registration is made. This is because the IP Claim process does not provide the trademark owner with any contact information for any of the persons or entities that apply for the domain name registration that identically matches an IP Claim. In fact, the trademark owner is not notified until after the registrant proceeds with a registration and the domain name is actually registered.*

2. The requirement that the Clearinghouse be separate and independent from ICANN: not be operated by ICANN and clear and distinct from ICANN. It should operate based on market needs and collect fees from those who use its services. ICANN may coordinate or specify interfaces used by registries and registrars, and provide some oversight or quality assurance function to ensure rights protection goals are appropriately met.

*The RySG strongly believes that ICANN should have direct oversight over the Clearinghouse and should be integrally involved with ensuring that the Clearinghouse meets a strict level of technical requirements, service levels, and 24X7X365 support to the Registries. In addition, ICANN must ensure through its agreement with the Clearinghouse that the Clearinghouse provider does not use the data it collects for any purpose other*

*than what is necessary to provide the Clearinghouse services. This is not something that can be left to the market to work out.*

3. Is Clearinghouse use optional or mandatory for new registries (if optional, must the registry must provide something as effective or better)?

*We believe that the Trademark Clearinghouse should be made mandatory for all new gTLD Registries that implement a Sunrise or IP Claims process. We believe that making the use of the Clearinghouse optional marginalizes the benefits of the creation of the Clearinghouse in the first place; namely, creating efficiencies for registrants, trademark owners, registrars and registries in the administration of pre-launch rights protection mechanisms.*

*The RySG, however, notes that the Clearinghouse may not be necessary for certain limited TLDs that may not need to implement any traditional pre-launch rights protection mechanisms. For example, a “brand” or “corporate” TLD that merely serves its own employee base or is purely used internally without having any registrations by the public may not need to implement any Sunrise or Trademark Claims process. By stating that we believe the Clearinghouse should be mandatory for registries that implement a Sunrise or IP Claims process, the RySG is specifically not stating that the implementation of a Clearinghouse should be mandatory for those TLDs in which a pre-launch rights protection mechanism may be unnecessary.*

4. Should the Clearinghouse requirements (including the choice of IP Claims or Sunrise processes) be applied to existing registries?

*The RySG agrees with the sentiment expressed by the IPC. We agree that “There is no value in applying the Trademark Clearinghouse requirements, as contained in the staff implementation plan, to existing registries because they are irrelevant. As contained in the staff implementation plan, the Trademark Clearinghouse applies only to IP Claims and Sunrise processes. Both the IP Claims and Sunrise processes apply only to pre-launch rights protection mechanisms. The existing registries have already launched and have no need of prelaunch rights protection mechanisms. As a result, there is no point in having the Clearinghouse requirements apply to existing registries.”*

5. Liability: During verification of trademarks, liability may arise through false positive and negative results. How should potential liability of parties be managed?

*As expressed in the RySG comments to the IRT Final Report, this is an issue of deep concern to the RySG and to all new gTLD Registry Operators. We believe that Registry Operators should be indemnified by the Clearinghouse for all false positives and negative results. We believe that the Clearinghouse can manage its liability in this regards through its agreements with the trademark owners that file with the Clearinghouse. In addition, We believe that all new registries will disclaim any liability for such false positives and negative results in their registry-registrar agreements and will require that such disclaimers be passed through ultimately through resellers (if applicable) and to*

registrants. In addition, the RySG incorporates the following comments it made to the Final IRT Report which have not yet been answered:

- *If a registry elects to use the IP Clearinghouse on an ongoing basis and not just for pre-launch activities, how will the IP Clearinghouse support registry operations without impacting SLAs or registry performance?*
  - *Will ICANN renegotiate all SLAs for query times to account for these processes?*
  - *What provisions will be made if use of the clearinghouse causes registries to fail to SLAs?*
  - *Would registries be required to send a query to a centralized database for every new registration request? (That could impact registry and registrar operations as well the customer experience.)*
  - *What happens when the clearinghouse is not accessible?*
  - *Would new registrations have to cease? (That could have significant consequences.)*

6. Who assumes the cost of the Clearinghouse? Should the Clearinghouse be funded completely by the parties utilizing its services?

*The RySG disagrees with the proposed staff implementation of the Clearinghouse and asks that ICANN staff reconsider the comments made by the IRT with respect to costs. The RySG does not understand why the ICANN staff changed the IRT proposals as set forth below and reserves the right to provide further comment once such explanations are made known.*

*The IRT intends that each of the services described below shall be provided by the IP Clearinghouse at no charge to the gTLD registries or registrars that are required to interact with the IP Clearinghouse to implement the recommended RPMs. If a new gTLD registry decides to implement an RPM above and beyond those recommended herein, any incremental services necessitated thereby shall be provided on no greater than a cost plus basis to that new gTLD registry. (See <http://www.icann.org/en/topics/new-glds/irt-final-report-trademark-protection-29may09-en.pdf>, pg. 15).*

*The IP Clearinghouse operator must, upon request by new gTLD registry operators, provide reasonable opportunity for those new gTLD registry operators to consult with it at no charge as those registry operators draft policies and create processes to implement RPMs. This is essential to ensure that new registry operators can interact effectively with the IP Clearinghouse. (See <http://www.icann.org/en/topics/new-glds/irt-final-report-trademark-protection-29may09-en.pdf>, pg. 16).*

7. How would the Clearinghouse be used? ICANN is publishing a detailed procedure under separate cover that should be considered as part of the Clearinghouse proposal in this review.

*The RySG believes that the following services as enumerated by the IRT make sense in discussing how the Clearinghouse should be used; namely:*

- *The **validation of trademark rights on an annual basis** which can be pushed to new gTLD registry operators or pulled by them to support pre-launch RPMs such as Sunrise schemes;*
- *A **Pre-Launch IP Claims Service** that will notify new gTLD applicants and trademark owners that a current validated right exists for the identical term being applied for at the second level.*
- *The generation of data for and participation in **URS** pre-registration, and validation of URS complaint claims regarding trademark rights.*

*In addition, the RySG notes that other recommendations from the IRT should also be adopted by the ICANN staff with respect to the services it delivers, namely:*

- *The IP Clearinghouse must be operated by an outsourced entity under a renewable multi-year contract with ICANN of at least five (5) years. The contract must be awarded on the basis of an open, competitive tender.*
- *The IP Clearinghouse must be operated by a neutral service provider that is not currently in a direct contractual relationship with ICANN to provide domain name registration services including that of a gTLD registry, registrar or other technical provider of domain name services to a gTLD registry or registrar. The IP Clearinghouse must commit to a strict code of conduct that, among other things, requires it to provide equitable access to its services by all entities seeking to use the IP Clearinghouse. The IP Clearinghouse must be available 24/7, 365 days of the year, including the availability of commercially reasonable customer support services.*
- *The IP Clearinghouse must be technically state-of-the-art and its daily operation must enhance the rapid provisioning of domain registrations. For example, it must support EPP as well as offer a web interface, and it must not slow the registration process unreasonably.*
- *The IP Clearinghouse must be able to deliver fast, accurate information in a standard format using a state-of-art technical platform that is secure and robust. Most communication will be electronic.*

*Finally, the RySG incorporates its comments made to the IRT Final Report, including its comment that the IRT Final Report does not address the issue of archiving the IP Clearinghouse data. The RySG recommends that historical archives of the data be maintained and accessible. Specific requirements for this should be specified including a definition of access rights.*

8. What are the criteria for inclusion in the Clearinghouse? Should the Clearinghouse as conceived accept registered and unregistered marks – similar to marks considered for UDRP consideration now?

*The RySG believes that the Clearinghouse should be limited to only nationally registered trademarks that are easily able to be objectively verified through online or hard-copy*

*documentation. We do not believe that a registry or clearinghouse should be in the position of interpreting national law in trying to figure out what constitutes “Common Law” rights. However, if a registry chooses to include additional elements in a Sunrise or IP Claims process, that registry should have the ability including those elements. For example, if a registry for .pizza would like to allow all pizza stores in the world to participate in a Sunrise process (whether or not they have trademark registrations), and such information can be validated, then a registry could have the option of doing so.*

### RySG Information with regard to these Comments

A majority of 9 RySG members supported this statement:

- Total # of eligible RySG Members<sup>1</sup>: 14
- Total # of RySG Members: 14
- Total # of Active RySG Members<sup>2</sup>: 14
- Minimum requirement for supermajority of Active Members: 10
- Minimum requirement for majority of Active Members: 8
- # of Members that participated in this process: 14
- Names of Members that participated in this process:
  1. Afiliias (.info)
  2. DotAsia Organisation (.asia)
  3. Dot Cooperation LLC (.coop)
  4. Employ Media (.jobs)
  5. Fundació puntCAT (.cat)
  6. mTLD Top Level Domain (.mobi)
  7. Museum Domain Management Association – MuseDoma (.museum)
  8. NeuStar (.biz)
  9. Public Interest Registry - PIR (.org)
  10. RegistryPro (.pro)
  11. Societe Internationale de Telecommunication Aeronautiques – SITA (.aero)
  12. Telnic, Limited (.tel)
  13. Tralliance Corporation (.travel)
  14. VeriSign (.com,.name & .net)

---

<sup>1</sup> All top-level domain sponsors or registry operators that have agreements with ICANN to provide Registry Services in support of one or more gTLDs are eligible for membership upon the “effective date” set forth in the operator’s or sponsor’s agreement (Article III, Membership, ¶ 1). The RySG Articles of Operations can be found at [http://www.gtldregistries.org/about\\_us/articles](http://www.gtldregistries.org/about_us/articles) .

<sup>2</sup> Per the RySG Articles of Operations, Article III, Membership, ¶ 4: Members shall be classified as “Active” or “Inactive”. A member shall be classified as “Active” unless it is classified as “Inactive” pursuant to the provisions of this paragraph. Members become Inactive by failing to participate in a Constituency meeting or voting process for a total of three consecutive meetings or voting processes or both, or by failing to participate in meetings or voting processes, or both, for six weeks, whichever is shorter. An Inactive member shall have all rights and duties of membership other than being counted as present or absent in the determination of a quorum. An Inactive member may resume Active status at any time by participating in a Constituency meeting or by voting.

Regarding the issue noted above, the level of support in the RySG for the Constituency statement is summarized below.

1. Level of Support of Active Members:

1.1. # of Members in Favor: 10

1.2. # of Members Opposed: 0

1.3. # of Members that Abstained: 0

1.4. # of Eligible Members that did not vote: 4