



28 February 2013

Mr Fadi Chehade
President and CEO, ICANN

Dear Fadi,

Thank you for your e-mail of 4 December 2012, in which you requested the policy guidance of the GNSO Council on the "Strawman Proposal" and the IPC/BC proposal for limited defensive registrations.

According to your request:

"I am seeking policy guidance from the GNSO Council on two items as part of the next steps for the implementation of the TMCH, namely, the Strawman Proposal and the IPC/BC proposal for limited defensive registrations ... Specifically, policy guidance is sought on the portion that pertains to the expansion of the scope of the trademark claims, although comments on any aspect of the Strawman Model is welcome in the event the Council is interested in broadening its response. The specific proposal is that:

Where there are domain labels that have been found to be the subject of previous abusive registrations (e.g., as a result of a UDRP or court proceeding), a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names would be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). Attempts to register these as domain names will generate the Claims notices as well as the notices to the rights holder.

Not included in the Strawman Model is the IPC/BC proposal for a limited preventative registrations. In general, there was not support among non-IPC/BC participants for solutions to the issue of second level defensive registrations among the participants in the TMCH meetings. After hearing concerns regarding this issue, members of the IPC/BC provided a description of a preventative mechanism, the "Limited Preventative Registration," which has also been published for public comment. As this issue is relevant to a request from the New GTLD Program Committee's April resolution where it requested "the GNSO to consider whether additional work on defensive registrations at the second level should be undertaken"(2012.04.10.NG2), I am seeking GNSO Council feedback on this IPC/BC proposal as well."

While our GNSO member constituencies and stakeholder groups have commented at their discretion regarding one or more elements of the Strawman Model, the Council here addresses the issues identified in your e-mail of 4 December 2012, and as you so invited, others in the Strawman. The content of this letter has been the subject of considerable Council attention is supported by the majority of GNSO stakeholder groups.

Before providing specific input, the Council respectfully notes that its primary role is to administer the policy work of the GNSO and to reflect the outcomes of that work in policy recommendations to the ICANN Board and community. The Council is not oriented toward policy guidance, although we do recognize a need to respond to you and others in forms other than the PDP,¹ and we will endeavour to do so in consultation with the stakeholders we represent.

As context for our input, councillors are of course aware of the community's current examination of "policy vs. implementation" and encourage further dialogue on this matter. For the purpose of this letter, however, most councillors applied a reasonable test to make distinctions between the two categories, by asking the following question: Does a proposal impose obligations on parties outside of those contracted with ICANN (who are predominantly responsible for implementation of the proposals)? If so, generally speaking, the issue is likely to be a matter of policy. If the matter is a step in the progression toward realization of the decided-upon policy, and unlikely to impact a wider audience, it is more likely "implementation."

Expansion of trademark scope in TLDs

First, the Council draws a distinction between the launch of new gTLDs, where policy has been set and agreed to, and a longer-term discussion about future amended or additional rights protection mechanisms (RPMs), which would apply to all gTLDs.

The majority view of the Council is that the proposals on changes to the TMCH implementation amount to an expansion of trademark scope. We believe that this, together with the potential impact of such proposals on the full community, make them a matter of policy, not implementation. The majority of the Council believes - consistent with what the Council unanimously agreed previously - that protection policies for new gTLDs are sufficient and need not be revisited now. If the community seeks to augment existing RPMs, they are appropriately the subjects of future Council managed GNSO policy activity.

Indeed, ICANN Chairman Steve Crocker and other Board members set an expectation in Toronto that new RPM proposals should have the Council's support to be considered now:

"Three more items. 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>, at p.12.

The Council has carefully considered and reviewed these proposals and most do not have the support of the Council's majority.

¹ As we recently wrote (see <http://gns0.icann.org/mailling-lists/archives/council/msg14165.html>) to the GAC, providing policy advice or guidance is a new challenge for the Council, as we have no existing, standard mechanism to provide formal policy advice, except through a PDP.

In addition, in the context of ICANN’s goal to advance competition and choice in the domain name industry, the Council finds that the RPM proposals, or other measures that could impact the operation of new gTLDs, deserve GNSO policy development to ensure applicability to all gTLDs, new and existing. This view is consistent with the NTIA’s recent letter to ICANN, which states in part:

“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.pdf>

On the Modification of Sunrise

The Strawman proposes that “All new gTLD operators will publish the dates and requirements of their sunrise periods at least 30 days in advance. When combined with the existing (30-day) sunrise period, this supports the goal of enabling rights holders to anticipate and prepare for upcoming launches.”

The majority of the Council supports this update to the sunrise process as a matter of implementation.

On the Extension of Claims 1

The majority of the Council considers the community’s standing agreement for a 60-day Claims 1 period to be settled.

The Council’s rationale is that the Board previously approved the timing of trademark claims as “60 days from launch.” It is important to note here that the presence of both sunrise and trademark claims in the new gTLD program already provides extended protection beyond previously agreed policy, as the Council previously voted unanimously to require either sunrise or claims, but not both.

However, given that Claims 1 is currently planned to be implemented for 60 days, the majority of the Council does not object to the view that the extension of Claims 1 from 60 to 90 days is a change to an existing implementation decision.

On Claims 2

The Claims 2 proposal is a longer-term RPM with potentially significant impacts and should correctly be subject the subject of a PDP, in order to explore the complex issues therein. This advice is based on the following:

1. Claims 2 is a new RPM, not implementation of an agreed-to RPM. It is fundamentally different from the 60- (or the proposed 90-) day claims service.
2. Beyond this important distinction, there are many unanswered questions about a potential Claims 2 process. Are potential registrants legitimately entitled to non-

infringing registrations and unfairly denied to them? How would payments be made and allocated? How do registries and registrars adapt their technical systems to accept the many more commands received over nine to ten additional months? Is the burden as currently proposed (registries and registrars assume the cost and risk to build these systems with no predictable method of cost recovery) fair to all parties? What should the claims notice say? (In this regard, the Council respectfully points out that Claims 2 should not be characterized as “more lightweight.”) The purpose of the GNSO Council is to collaboratively manage the work to answer these types of questions before recommending policy.

On addition of names to TMCH previously subject to UDRP or legal proceeding

The majority of the Council believes this suggestion deserves further examination, not only to protect the interests of rights holders, but also to ensure latitude for free speech through lawful and non-abusive registrations. Councillors respectfully observe that the existence of a domain name in the root system is not necessarily evidence of abuse, and that a subsequent registrant may have legitimate and non-infringing use in mind for a domain name corresponding exactly to a term that was the subject of previous action.

Accordingly, the majority of the council finds that this proposal is best addressed as a policy matter, where the interests of all stakeholders can be considered.

Scope of Trademark Claims

The majority of the Council believes your determination, as documented in your updated blog posting (<http://blog.icann.org/2012/11/trademark-clearinghouse-update/>), that an expansion of trademark claim scope (beyond exact match) is a matter of policy, is correct. It is also consistent with the following section of your letter to Congress:

“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...”

Limited Preventive Registration

Consistent with the forgoing, the Limited Preventative Registration (LPR) proposal, or any other blocking mechanism, also represents a change in policy and therefore should be a matter of Council managed policy work if it is to be considered.

Staff activity and input

The Council appreciates your determination to focus on implementation; the Council expects however that implementation will be of agreed-to issues, and not new proposals, which have not been subject to adequate community review and input and therefore could, have potentially unforeseen consequences on competition and choice in the market.

Conclusion

The GNSO Council sincerely thanks you for your request for Council input. The Council takes very seriously the on-going need to guard against rights infringement within the gTLD landscape and recognizes such safeguards as one of the many elements that will advance consumer trust in new gTLDs.

I trust this information is helpful and invite you to contact me with any additional questions.

Yours sincerely,

Jonathan Robinson
Chair, ICANN GNSO Council