
TORONTO – Trademark Clearinghouse Implementation
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KAREN LENTZ:

Good morning everyone. We're going to go ahead and get started. This is the session on the Trademark Clearinghouse Implementation. This is an update on all of the project work that's been going on towards startup of the Trademark Clearinghouse. My name is Karen Lentz from ICANN. I am joined up here by colleagues from the team.

To the far right is Don Fancher from Deloitte; Jan Jonsson from CHIP; Jan Corstens from Deloitte; Vicky Folens from Deloitte and to the left here is Bill Yang from JAS Advisers.

So the objective of this session is to go through and show you a lot of the work that's been taking place on developing the Clearinghouse. I know some people may have been following this for a while. If you're new to this it's kind of an exciting time. There's a lot happening so we want to take you through that today.

This is how we expect to spend the time during the session. I'll give a little bit of an update on the work that's been achieved so far in this project and the work that's ongoing. There are a number of team members from Deloitte who will walk you through some of the Clearinghouse processes and the system that's been built for submitting trademark data into the Clearinghouse and you'll get to see quite a bit of that and then we have 30 minutes at the end for questions and comments from the group.

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So the Trademark Clearinghouse was proposed to be a repository for trademark data. There was an interest in having data to rely on that had been verified and that parties knew that they could rely on and so the Clearinghouse was proposed to be essentially a database for rights information that would be used to support rights protection mechanisms in new gTLDs.

One of the expected outcomes of that is that there would be a central source for that data that rights holders would not need to go many places and register and have their rights validated to register in each new TLD – that there would be efficiencies gained by having one place to do that.

The Clearinghouse has a few core functions. The first is to accept the submissions of trademark data that rights holders provide to verify that those rights exist. They will also maintain the database of all of that information and then use it working with registries to support the sunrise and the trademark claim services.

The sunrise is an opportunity pre-launch for eligible rights holders to register domain names before the TLD opens up generally to the public and then the trademark claim service is designed to provide for – also during the startup phases – a notice mechanism so if someone is trying to register a domain name and it matches a record in the Clearinghouse, that a notice would be provided to that registrant informing them of the rights that had been recorded in the Clearinghouse and confirming that they do wish to proceed or don't.

And then when a name is registered in that period, as part of the claim service, the relevant rights holders who have data in the Clearinghouse



who have matching records in the Clearinghouse would be notified of that domain name registration.

This has been difficult to fit on a slide, but it's an attempt to depict the work that's taking place. It was about a little over a year ago that the project really got started. One of the initial things that you see on the left there as coming into now, one was the Implementation Assistance Group or IAG which was a volunteer group of stakeholders that we asked for input and advice on how to implement the processes that were laid out in the guidebook. And then once that advice had taken place, we developed a draft model covering several of those processes and the community discussions have actually continued in various forms since that time, so that's ongoing.

Also a little over a year ago was released a Request for Information looking for providers to provide the Clearinghouse services. We're happy to be working with Deloitte and IBM on this project and since I guess Q2 of this year we've formed a team, created a project plan and design and started to execute against that project plan.

The purple arrows you see there have to do with the development of the trademark interface, the interface that's used for putting data into the Clearinghouse. The development of that has been ongoing and you'll see that there is quite a bit been done on that today.

The bottom piece has to do with the registry interface and I'll talk a little bit more about that on the next slide. But if you see where we are in Q4 of this year, there's really a need to complete a set of requirements so that the development of those interfaces can begin and be tested.



We have established a 90-day window minimum for the time that we want the Clearinghouse to be available for rights holders to put information in before any of the new gTLDs go live and are accepting registration. So that's kind of the rule of thumb we're using in how to plan for time is that we want to allow at least 90 days to do that.

And then in terms of the registry interface, it's also keeping in mind the fact that there's a lot of work to be done on the registry and registrar systems to be able to incorporate these processes which is why we want to reach some conclusions on these discussions that we've been having this week as soon as we reasonably can.

So the discussions that have taken place this week in Toronto are around some work that's been done in the past couple of months. The first item that you see up there is the technical requirements for the sunrise and claims processes. In terms of the sunrise there are a few different ways that that could be achieved.

You can use a code; you can use a file. There are various mechanisms that can be used as indicators of sunrise eligibility. So we've been discussing those options and one of the questions and elements of that has been who needs to have access to the data and at what point during the process, so that's been discussed this week.

In terms of the trademark claims, this is the more complex system where information is used by many parties in the process so there's been discussion around having a centralized or decentralized implementation of that in terms of how the data gets distributed and accessed. And again questions of who needs the data and what



parameters need to be around that for how that data is accessed and used.

So we had a session focusing on this on Monday of this week and continuing yesterday in many of the stakeholder groups and constituencies. And kind of informally we've continued to follow up on those discussions with stakeholders and we're I think fairly confident that we can reach a resolution in the next couple weeks that we need to do.

Also this week the second two bullets on this slide relate to some materials that were published just prior to this meeting at the end of September that we published for public comment, one being on how proof of use is verified. So that's an element that comes into play with the sunrise period and we put out a memo on how we expect the Clearinghouse to perform that process.

And the other last bullet there is matching rules which is a fairly detailed explanation of how the Clearinghouse will apply the definition of identical match. That was something that was described in the Applicant Guidebook and agreed upon in previous community discussions.

So those are the activities that have been happening this week. I'm going to turn it over to Vicky Folens who's going to take you through a lot of the work that Deloitte has been doing and then we'll go to discussion. Thanks.



VICKY FOLENS:

Thank you, Karen, and thank everybody here for attending the session. So today we'll talk about the Trademark Clearinghouse, some specific features and how we have implemented the Clearinghouse so far.

The features that we want to discuss is which services and functions the Clearinghouse will provide; how to register with the Clearinghouse; some items around the proof of use; the matching rules; dispute resolution process; what are the grounds of disputes; the customer support and then show you some slides of where we stand today and how we have implemented these items.

The Clearinghouse – which services will it provide to trademark holders, trademark agents and first instance, Karen has already said that the Clearinghouse will be a central database that stores and verifies trademark data. So what will the Clearinghouse do and first instance we're going to verify the trademark data submitted to the Clearinghouse.

Once trademark data has been verified, the trademark holder will be able to opt for sunrise services or trademark claim services. We will also provide the possibility to dispute a decision taken by the Clearinghouse and at all times we will provide customer support to our agents and holders using the Clearinghouse.

There may be in time other services that the Clearinghouse will provide, but we do not know that at this time. That will be discussed on a base to basis.

Who will be able to register; what are the eligibility requirements? So in first instance, it's an agent acting on behalf of a trademark holder or a



trademark holder; that is the holder meaning the owner, assignee or licensee of a nationally or regionally registered trademark.

What is a nationally registered trademark? Some examples are U.S. Trademark; European Trademark. What will not be acceptable are state marks for example. A court validated mark – some examples are the unregistered trademark; well-known and protected marks.

What would also be accepted in the Clearinghouse are marks protected by statute or treaty. These can be geographical indications; designations of origins; the names relating to the International Olympic Committee or the Red Cross. Could be other examples as well; we just listed some examples. It's important to note that the statute or treaty must be enforced before June 2008.

The Applicant Guidebook also states that other marks that constitute intellectual property will be able to be submitted to the Clearinghouse. At this moment we do not know what these other marks will be, as this is dependent of the registry policies.

What will not be eligible is any mark, no matter which category of marks you'll fall in, the marks that start with a dot or contain a dot will not be acceptable. So meaning if I have a trademark A.B, it will not be accepted in the Clearinghouse.

Any registered trademark that was subject to successful invalidation, cancellation or rectification proceedings. It's important that the trademark is registered at the moment of verification. And of course, due to the technical limitations of the domain name system, we cannot



accept any IP rights that cannot be represented in the domain name system.

Proof of use – in order to be eligible to receive sunrise services, you need to provide proof of use. However, proof of use is only necessary when we're dealing with registered trademarks. What will the proof of use look like? It's going to be a completed declaration and one sample of use needs to be uploaded in the Clearinghouse.

There are different samples that will be acceptable such as labels, tags, containers from a product, advertising or marketing materials. What will not be accepted are inclusions of a mark in a domain name; email messages; licenses to use a mark or business cards.

In principle the declaration and the sample of use needs to be re-verified every five years. However, every trademark submission needs to be re-verified every year if you want to keep on receiving sunrise notifications or trademark claim certifications.

Does that mean that you need to provide us with a new sample of proof of use? In principle, no unless of course your trademark record has changed and therefore your sample of use is no longer valid.

Once the data has been verified and in case of a registered trademark your proof of use has been verified and is eligible, a sunrise code file will be generated. As you all are aware, we're not sure at this moment how it will be implemented – if it's going to be a code, a file, a key or something else.

Once that is generated you will be able to use that to register a domain name during a sunrise period and you will also be able to receive sunrise



notifications when another holder or agent has used his sunrise code and has of course found a domain name and registered that with the TLD.

Come to the other topic – the matching rules. So matching rules are applicable during both sunrise services and trademark claim services. In principle the domain name must be the identical match to the trademark, meaning if your trademark is ICANN and you want to, for example, register in a TLD test, then you can receive the domain name ICANN.test.

What will not be included or what is not allowed are plurals or parts of the mark. So if my trademark would be icannx, I cannot have icannxs or I cannot delete x from my trademark so it needs to be an exact match.

However, we know that trademarks constitute special characters that cannot be represented in the domain name system, so the Applicant Guidebook states what will be implemented as an identical match when we're talking about special characters.

The general rule is spaces, punctuations or other characters such as the plus or the exclamation mark – they can be omitted or they can be replaced by a hyphen. If there's a hyphen in your trademark, then you cannot omit or replace that – the hyphen will have to remain in your domain name.

The examples that we show on the screen are ICANN ex, so you have the right to omit it and then you have the right to receive the domain name icannex or you have the right to replace the space by a hyphen so that would be ICANN-ex.



Now there's an exception to that rule when we're talking about the special characters – the ampersand (&) and the at sign (@), though you can still omit those or you can still replace them by a hyphen, but you will also be able to translate those special characters in the official language or languages that correspond with the language of the jurisdiction in which your mark is protected. We'll show you later on how that will be implemented.

Before we talk about the dispute process, we want to talk about the correction process. So once you have submitted trademark information to the Clearinghouse and it goes through a verification process and the verification agents note that there is something wrong with the trademark record stating that it might be incomplete or incorrect, then the trademark agents will actually provide feedback as to why a trademark record is incorrect or incomplete and you will be able to correct that information.

This is a correction process that we've put in place. It's free of charge and it will only be possible one time. After the correction process it will resubmitted to the Clearinghouse; it will go through a re-verification process. If the record is still incorrect or invalid or does not meet the Clearinghouse guidelines, then your trademark record will become invalid. At that moment in time, if you do not agree with the decision made by the Clearinghouse, you can lodge a dispute.

There are three different types of grounds for disputes as I just mentioned the first one for a trademark holder – if our agent that does not agree with the verification that has been made, you can challenge that verification.



You'll be able to challenge that verification within a period of two months time after the trademark record has become invalid. Your dispute will be lodged through the interface of the Clearinghouse. Your dispute will actually be forwarded to an internal legal team that will look at your dispute, will see what you challenged and at that time the team will actually look at the information that was provided during the verification and will determine whether or not the verification agents have correctly followed the process and have provided with the correct verification.

A third-party can also challenge a decision made by the Clearinghouse when he receives, for example, the trademark claims notification and he does not agree or thinks that the trademark record is invalid or something is wrong with the record. He will also be able to file a dispute with the Clearinghouse. Same process – it's an internal legal team, separate from the verification agents that will actually look at that dispute.

And any information that has become new can be presented to the Clearinghouse and we will also look at new information. And if we need to update a status of a particular trademark record based on new information, then that will happen as well.

Through the whole process we will be providing customer support how we divided this and principle – there'll be a hotline available meaning you can contact us by phone at all times when you have issues signing in with the Clearinghouse.

In all other cases and all other questions, you will be requested to go through the Clearinghouse website where we will have a web ticketing



tool and this tool will be made available in English so you can request all your services or questions in English. But you can also, if you want to be contacted by us in another language, you can request to be contacted in different languages. Now how have we tried to implement all of this? We'll be able to show you in the next couple of slides.

First thing since in order to become a user of the Clearinghouse, you need to register with the Clearinghouse. On the screen you see the homepage of the Clearinghouse where we have tried to make it as simple as possible to use, meaning there will only be three buttons that you can click on – the “add mark” button; the “register dispute” button and the “request support” button.

To become a first user you need to click on the add mark and the following interface will appear. This is general information that we need in order to verify that you are a user and the information such as the name of the organization, the address, the email address where sunrise notifications and trademark notifications will be sent to.

You will also need to indicate whether you are acting as an agent or as a trademark holder. Now as already stated, an agent acts on behalf of a trademark holder; there are also some other differences in the interface as when an agent will be working for multiple people who are holders. A trademark holder will also be able to pay by credit card while an agent will actually have a pre-paid account or work with a pre-paid account.

It will also be possible to next to providing contracting party, to provide details of who's actually using the application. So in our example, Deloitte would for example be the contracting party while I would be entering the trademark information so I would be the application user.



Once you have entered all that information, you will actually be requested to accept our terms and conditions of the Clearinghouse. If you agree to our terms and conditions, an email notification will be sent out to you and we will provide you with your password to enter into the Clearinghouse. Every time you enter into the Clearinghouse you just need to complete the green screen that you see on the big screen, signing in with your user name and password and then you get access to your trademark records.

When you get access to your trademark records you will actually see the following screen. It consists of two tabs, marks and domains and services. Here the marks overview is empty because I have not submitted a trademark record at this time because I'm a new user. What do I need to do to add a mark to my list? You just click on "add mark."

When you click on "add mark" the following interface will appear and the first question that we ask is to provide us information on the mark type. As I've discussed, we have three mark types – the register trademark; the court validated mark and the treaty or statute or marks protected under treaty or statute.

It's important to select the correct type because we have actually adjusted all the fields according to the type. For a registered trademark there is different information that needs to be provided to us in order to verify that information while there is other information that needs to be provided when we're talking about court validated marks. So depending on the selection you make, you'll receive different fields to complete.



In the following example we have selected the registered trademark and the next question that you will have to complete or next field you'll have to complete is the name of the trademark holder. Now for trademark agents that are dealing with a lot of multiple holders, once you have registered a trademark holder into the system it will actually be saved and you will be able to choose out of a drop-down list that trademark holder.

If it's a new trademark holder you need to enter, you just need to click on "new holder" and the following fields you see under mark holder will appear. All fields that are obligatory will be provided with an asterisk; if you do not complete them, then you will receive an error notification and you will not be able to process your trademark data.

After you have completed the holder information, there are some other fields that need to be completed as well such as the status of the holder. So is it the owner of the trademark; is it the licensee of the trademark or is it the assignee of the trademark?

The name of the mark – you'll see in my example I've submitted A&B as a trademark. The jurisdiction – so that's a drop-down list that you will be able to select the jurisdiction or the country in which your trademark or region that your trademark is protected.

The registration number needs to be provided; the registration date will need to be provided and the description of goods and services. When you click on "description of goods and services" you will actually receive a list of all the descriptions where you can pick the description that corresponds with the goods and services that your trademark is protected in.



You will also have the possibility to upload attachments. So for example if I had put in here that the status of the owner was an assignee, then I could upload the Assignment Declaration into the Clearinghouse.

The Clearinghouse will also generate automatically the domain names in accordance to the matching rules. So you see that the name of the mark that I put in here was A & B meaning that the spaces can be omitted or replace by a hyphen and my ampersand can be omitted, replace by a hyphen or translated in the official language. As my jurisdiction, the United States; the ampersand will be translated in English. And you see in the below corner the different possibilities of the domain name.

Now for this example there's a limited list of possible corresponding domain names. However, if my trademark would have been much longer, there could have been 20 to 30 to 40 to 50 different possibilities of what my domain name would be.

When you submit your trademark you will have the ability to choose 10 different domain names if you have more than 10 options. If you want to choose more than 10, you will also have the possibility to do so, however, there will be an extra charge when you choose or select more than 10 corresponding domain names. The system will automatically tell you when that will happen.

Next to that you will have the possibility to opt-in or opt-out for receiving a sunrise code or file key or receiving sunrise notifications or trademark claim notifications.



On the field on the screen you'll see that trademark claim notification will be by default on; sunrise will by default not be on or not be selected, so if you select to opt-in for sunrise code and notifications, you will see that a field pops up requesting to provide proof of use. So I stated the proof of use – a completed declaration – and a sample of proof of use needs to be uploaded. Once you have completed all of that, you just need to click on “add mark” and then the verification process will start.

How will you be able to manage your trademark records? Well through the two different tabs, the marks overview and the domain services there's different information that will be provided. So in the marks overview you will see your list of your marks, your status of the different trademark records and the mark holder.

Now we have different statuses that will be linked to a trademark record. The new status is when a trademark has been submitted under the verification process. When your trademark data has been verified, you will receive the status verified. When trademark data is incomplete or incorrect, the trademark record will receive the status incorrect, meaning that you will be able to correct your information. When you have corrected your information, the status will change to corrected.

In the event that your information is still incorrect or your trademark does not meet the Clearinghouse eligibility requirements, then you will see that the record will change to an invalid status.

And there's one final status that will be applicable is the deactivated status. So every trademark record needs to be renewed after 12



months time. If you do not renew your trademark record, your trademark record will become deactivated.

We will be providing notifications 60 days and 30 days prior to the expiration of a trademark record, so that will provide you with sufficient notification as to when your trademark record will expire.

You will also be able to search on basis of different search criteria. You will also be able to sort your trademarks as you like. So for example, if you want to sort the name of the mark or the trademark holders, or if you just want to see all of your new trademark records, you can click on “new” and it will just show you all the new trademark records.

Through the “domains and services” tab you will be able to see all the marks listed, the corresponding “U” labels, the sunrise code or sunrise file will be able to be implemented here and you will see that when the sunrise notification or trademark claims notifications have been activated.

As for the customer support and dispute resolution process, this is currently still under development. We’re still working on that but if there’s any questions or you want to look at the first information about the Clearinghouse, we invite you to look at our website - it’s www.trademark-clearinghouse.com. Or if you have any questions, you can always contact us by sending us an email at info@trademark-clearinghouse.com. Thank you.

JAN:

So this was a little bit of an overview of where we stand with the current development. The session of today was to inform you. You



should not expect that out of this session you already know how to use the Clearinghouse, so we will definitely still organize training sessions in the upcoming months and we will communicate about our training plan in the next few weeks. So rest assured there will still be plenty of opportunity to learn how to use the Clearinghouse; that was not the idea of today.

We've also already had one-on-one sessions with organizations and we will continue doing that so that we can be provided with feedback as we are definitely committed to learn as much from the community as what their needs are and to the extent possible, take those into account.

KAREN LENTZ:

Thank you, Vicky and thank you, Jan for taking us through all of that information. So we're actually finished with the slides ahead of schedule so we have more time for questions and comments from the floor.

So we've got two microphones in the room; we also have someone monitoring the remote participation for questions or comments. So let's start over here with Paul.

PAUL MCGRADY:

Hi, Paul McGrady from Winston & Strong. First of all I would like to say thank you for using the ICANN example as the mark. ICANN of course is the only mark on the globally "do not sell" list. The rest of us are operating under a different system.



Just two quick questions. Could you explain the dot prohibition for trademarks that contain a period? I'll give you an example. Long Live Fund, Financial Services, Namely Stored Value, Card and Electronic Stored Value Card Services by an outfit called Retail World Company. I have no idea who they are. But they have a period at the end of Fund – Long Live Fund. – why would a mark like that be excluded? I would like to understand that a little bit better.

And also a second question and then I'll step away from the microphone. Have we really developed a system where every trademark has to be entered in manually instead of mapped by fields? And if we've actually done that – again I don't know if the trademark paralegals union international exists, but if they do – they want to thank you because they'll be working non-stop for the next 12 months. So those are my two questions. Thank you.

KAREN LENTZ:

Hey, Paul, could I ask – the second question you said manually instead of what?

PAUL MCGRADY:

Instead of map – field-to-field. So all of the trademarks for most companies exist in five or 10 different kinds of databases put out by five or 10 different kinds of people who claim to have five or 10 better ways of doing things. But these are essentially map fields, right, and so those can be exported into essentially a fancy Excel spreadsheet, map-to-map uploaded and then we would have to upload PDF copies of declarations



and proof of use which would dramatically cut down the need to be putting these things in manually.

The idea of a manual system where we put in trademark by trademark by trademark all around the globe with some organizations having 20,000, 40,000 trademarks is very 1985. And so I'm hoping that that's not really what we're seeing here. Is that the answer? Okay. Should I stay or should I go?

KAREN LENTZ:

[laughing] Okay thanks, Paul. So on the first question regarding trademarks that have a dot in them, this is actually a requirement that's been included in the Trademark Clearinghouse section of the Guidebook for a while. And that was something that was developed I believe with concern in a couple different ways.

One - that a domain name didn't necessarily serve the functions of a trademark and that there were possible behaviors where people could use the trademark process to try to get eligibility or to establish some rights to get domain names that they wouldn't be able to otherwise. So that's something that was actually discussed a bit leading up to that requirement and that's the requirement that we ended up with.

PAUL MCGRADY:

But the example that I gave was clearly not a domain name, right, and so if we've excluded an entire swath of brand owners and trademarks – probably tens of thousands or hundreds of thousands; I don't know – maybe millions around the globe – and if that's the reason then I think that we need to go back and think about if we're focusing on the dot



and if we're focusing on that the trademark consists of a domain name, right, because those are two different things. And I think that we can clearly see that and so I would encourage us to think about that some more.

And then the second question was having to do with the mapping. Have you guys... have we done mapping; are we going to do mapping because I just, you know...

KAREN LENTZ:

So just to finish off on the first question, so that's right that it's not necessarily... you can kind of distinguish from looking at something with a dot in it and seeing, okay what's after the dot – an existing TLD? You can answer that yes or no. But you don't know what might become a TLD in the future and so...

PAUL MCGRADY:

I didn't mean to interrupt, but we have the universe right now of what might become a TLD in the future and so if we're comparing the marks against the people who have currently applied to be registries, it's not open-ended; it's a closed system at this point. Thank you.

KAREN LENTZ:

Okay thanks. And then on the... and I'll let Deloitte speak to this too but I think the Clearinghouse was designed for a couple of types of users. Maybe I only have one trademark and I really don't care about it or that on an individual basis. Certainly it was anticipated that people would...



our users might have high volume so that's anticipated as well. I'll let Jan speak to that.

JAN: We didn't mention it explicitly because that's a part that is still on development. But it's definitely the idea to create an automated uploads and Jan, perhaps you can give some more insight from a technical point of view? But that was definitely the idea.

Yeah, so the idea is to have an XML-based interface that's very structured, that's very well-known in the community so we have the XML-based interface. The problems with that are that we are still trying to find a good solution for file uploads – that's one of the issues we still have so we're still talking to people to see how we should do that.

And there's a few other hooks that need to be... little problems that need to be covered. But yes, there will be an XML interface to automate your systems.

PAUL MCGRADY: Great, thank you.

KAREN LENTZ: Okay, our next speaker.

STEVE LEVY: Hi, Steve Levy with FairWinds Partners. I'd like to offer one suggestion and then ask one question. Following on Paul's comments about automation, I would like to suggest that instead of having an annual



renewal fee, perhaps you allow the trademark owner to pay for registration for multiple years up through the current term of the trademark registration.

That way we can avoid some more administrative time or at least allow a deposit account where you could have automatic renewals so that again you don't have to hire somebody just to docket and track all of your renewals every year. We do a lot of that with trademark offices around the world and to add one more on is just an extra task.

And my question is what mechanism will be in place to prevent fraudulent registrations? I can envision a situation where somebody may claim to be the agent for a brand owner and file a falsified claim and try to get all of those notifications. I know you have a dispute procedure, but is there anything up front and what dispute standards will there be to fight this kind of fraud?

VICKY FOLENS:

So when a trademark agent acts on behalf of a trademark holder, when he enters the trademark holder information, he will also need to enter an email address and a contact person of the trademark holder. And an email notification will be sent out to the trademark holder requesting them to confirm that the trademark agent can act on their behalf.

STEVE LEVY:

And how do you know that that's an actual person at the trademark holder?



VICKY FOLENS: There are different ways to verify that. Because we have the information of the trademark holder it's easy to verify that information.

STEVE LEVY: I'm just curious how you get that information, how you verify because some trademark holders don't have their trademark in their email address; for example, they may use a holding company. How do you know that?

VICKY FOLENS: So in the event that it would be a different email, we would actually contact the person, the trademark holder.

STEVE LEVY: And then when they reply saying, "Yes, I'm the trademark holder," is that considered adequate?

JAN: They will have to provide some proof of that I guess.

STEVE LEVY: So this is still to be worked out I guess.

JAN: There is a number of things that we're still looking into as to how far the requirements go. There will obviously also be some contractual protection that will be added on top of that. Do I think that we can prevent fraud for 100%? I don't think so, but in the end that person



would still be paying for somebody's trademark to be registered and given protection.

MALE:

And behind the automated process that you see here there are individuals that are doing this review; it's not just a fully automated review. There will be teams, as we described in Prague, there will two teams of individuals that are performing this review – a first pass review and a second pass review – and so to that process as well. It's not just an automated judgment; it's a personal judgment.

And looking into those things and one of the reasons for Deloitte is we're very aware of fraud and the intent to defraud and so we take that into account. Our teams will be trained to look for that.

STEVE LEVY:

Okay cause I know that somebody will try to take advantage of this if possible so I would urge you to implement as many fraud protection mechanisms as are feasible. Thank you.

KAREN LENTZ:

Thank you, Steve. And also just to comment on the renewal issue – that is something that has been considered and we did try to make the renewal process very lightweight so it's essentially, "yes, I want to renew this," "yes, all of this information that you have is still correct" type of thing, but we take the suggestions. Okay, next speaker.

DAVID PAINE:

I'm David Paine from Afilius. I have two questions. I'm going to ask the first one – it's very related to what we discussed and it's prompted by a real scenario – that's basically what it is. You mentioned a manual back-end process for verifying some of the information.

So imagine someone representing to be a licensee of a trademark. It sounds like the trademark owner would be contact by email in that situation. You also mentioned that a document could be attached with the information. In that scenario would the licensee need to be required to attach some type of license agreement and that would be verified – I imagine so.

And if so – and like I said, this is prompted by a real scenario – the difficulty of these types of agreements being in multiple different, not just languages, but different scripts – imagine from an area of the world where they're using a different alphabet – do you have the resources to review a document that on the face of it, you actually can't tell if it's related at all to the information that's been submitted? That's the first scenario I just wanted to clarify if the resources are going to be available for that and how it would be handled.

JAN:

From a resource perspective I don't think there is an issue. We have around 200,000 people in the world and I think there are not many countries where we're not present. And it is the idea to use our resources globally to help and to obviously find the resources with the right knowledge.



DAVID PAINE: And that's Deloitte's current standing, is that what you mean – the resources?

JAN: Yes, yes. And we're still working on that. If in certain countries it might be that we feel that we don't have the right resources, then we will make sure that we get them.

DAVID PAINE: If necessary that would even include non-Deloitte resources, such as legal resources that we could contract with to assist as well? Okay. And just a follow-up comment on that. That is impressive that you have those kind of resources already, but it's also concerning what kind of costs would be required to implement that thorough of a system. So...

JAN: Yeah, but don't think I'm not going into the cost discussion right now but no, it shouldn't have an influence on the price and such. I think that that's for us to manage internally. I mean we all know that there are trademarks that we will be able to validate easily and there are trademarks that will be more difficult to validate and that's part of our job.

DAVID PAINE: Thank you. My second question was about that a third-party is able to dispute information within the Clearinghouse. Just more generally, what types of third-parties are going to be aware of the information that's in the Clearinghouse? How do you imagine that happening?



VICKY FOLENS: So it would be either third-parties that have their information in the Clearinghouse or a third-party to another trademark holder or third-parties that receive a trademark claims notification.

DAVID PAINE: So another trademark owner that's registered in the Clearinghouse would be aware of something that's been registered already? Or do you mean that they go to register their trademark and they receive information about others that have registered that trademark?

VICKY FOLENS: No, you never see information from other third-parties, but I can imagine that some other people will talk to other people saying, "Oh they have this trademark in the Clearinghouse. Is that correct?"

DAVID PAINE: So there's not very much visibility about what information is there in the first place so how would you be aware of whether you won a dispute and...

KAREN LENTZ: So you're right that this is a little bit dependent on how accessible different pieces of the Clearinghouse records are but the example that Vicky gave is one that you can foresee. So if someone gets a claims notice – meaning a registrant – is getting a claims notice and they see



these people have these marks in the Clearinghouse, you can say, “That doesn’t look right. I happen to know this is in error,” or what not.

So it’s really intended as a mechanism for people to bring errors to the attention of the Clearinghouse - that could be another right holder; it could not be. It’s hard to limit or define who that might be. The issue is not so much who’s bringing it but whether the verification of the record was correct.

DAVID PAINE: Okay, that’s great clarification. Thank you.

KAREN LENTZ: Thanks. Judith?

JUDITH VASQUEZ: Yes good morning. I’m Judith Vasquez; I’m from the Philippines, the third largest English-speaking nation and the first screen alone challenge the interpretation vis-à-vis Philippine laws on business name registration, trademarks, etc.

My suggestion is on this pilot project is why don’t we launch it in the United States within the context of United States laws? We are so fortunate that the Philippines is not represented at the GAC, but if we had someone seeing, even in English, a disparity in interpretation of a trademark, it can further confuse the issue and slow down what is the New gTLD Program. So let’s do this one step at a time.



I know the Deloitte people in the Philippines; I work with big business; I know your partners; it's a local external auditor under the Deloitte umbrella, alright? We cannot answer all questions on the floor. Let's be fair please. This is a community effort but we do have to recognize there are national laws involved here so let's take things a step at a time. Thank you.

KAREN LENTZ: Thank you. Werner?

WERNER STAUB: Werner Staub from CORE. I have two questions. One of them is not actually a question but rather a proposal. The first one is if I'm an agent working for other, for trademarks to put in the data, how do I prove to my customer that I've done my job? How does my customer – the trademark owner – see that I've put the thing in there?

If this was a domain name, they would go to the WHOIS and they could see it immediately. So what do we have in this system? The agent can show that the job has been done; there's some kind of checking, tracking, whatever. What's the mechanism?

VICKY FOLENS: That should be determined between the trademark agent and the mark holder, so when the trademark agent comes to the Clearinghouse, he will be receiving the notifications on behalf of the trademark holder. How that is communicated to the trademark holder – that is actually up to the trademark agent.



WERNER STAUB:

I think I can also change the question where if you're a registrar you're operating on behalf of clients, what would you need to prove to them that you've done your job? Is there any reporting that you need? I mean we can provide any type of reporting that is required for that of course, so what would you need if you're a registrar and you want to prove it to your clients?

Actually it's one word – productivity. And the productivity is not just between the agent and the mark holder – it's everywhere. And we've gotten used to a certain amount of productivity thanks to the WHOIS. With all the bad things we can say about the WHOIS, it's actually a rather powerful tool and here we're trying to do something going back 30 years in time, sending stuff. "Did you receive it cause I got this listing?" "Oh, no that was not in that listing; it's somewhere else." "Oh no, that's not the latest listing; we have a new one."

This is really a big step backward that I hope to avoid. It is related to my second question. The second question is about centralization. Why do we centralize the Trademark Clearinghouse? Actually we just kind of started out on the wrong track and I think there's still time to correct it.

And it's also linked to one of the other questions – why do we keep the things secret that we've done in the Trademark Clearinghouse? Most of the marks would want the world to know that they have that mark. So at least those who do want the world to know – why shouldn't that be published? They will be 99.9% probably just those who are just right now in the process of protecting a new mark and don't want to be taken



advantage of by speculators – those would for some time not want it to be published. But all the other ones would.

And we have a wonderful system – it’s called the DNS. It has been built for that; it has unlimited capability in terms of scalability and unlimited capability in terms of spreading the workload. Why don’t we use it? We still can get it right.

KAREN LENTZ:

So Werner, I wonder if I could just sort of confirm the scenario that you’re describing in the first comment. If I’m a rights holder and I obtain an agent and I hire them essentially to manage all of the trademark records and interactions with the Clearinghouse on my behalf, is your question around is there visibility on the part of the rights holder client to the actual records – is that the issue that you’re raising?

WERNER STAUB:

Yes.

KAREN LENTZ:

Okay, alright, thank you. Speaker?

SUSAN CRANE:

I’m Susan Crane from Wyndham Worldwide Corporation, one of the world’s largest hospitality companies. I know you’ve indicated we’re not going to get into a discussion of costs today but most major corporations budget months in advance and we are in the midst of our



budget cycle. When are we going to have an idea of what these costs are so that we can work through budgets with our clients?

JAN: Hopefully as soon as possible. No, I mean you know that we are still faced with a number of variables and the second thing is that everything is connected to everything. What we've communicated before still stands - that is a maximum of 150 and you can still use that as a basis.

SUSAN CRANE: And all the extra fees for doing other things?

JAN: I think a lot is included in that already. But as soon as we can, as we have fixed the variables, then we will come out with a proposed pricing.

SUSAN CRANE: Will there be different fees if you do or do not elect sunrise?

JAN: No. No, because the amount of work that we have to do is exactly the same.

SUSAN CRANE: Well you don't have to verify use; you don't have to generate a sunrise.



JAN: Okay, well yes and no. The proof of use – the verification of that is not that time-consuming. We also know that there are differences and I think I’ve said that before – between certain trademarks where it’s easier to verify them than with other ones - for instance, in certain emerging markets – and we decided that we’re not going to differentiate in price based on the workload, but trademark.

I think that’s a decision that was taken long ago and that we would want to stick to because it’s going to become very difficult if we have to do that.

SUSAN CRANE: Thank you.

KAREN LENTZ: Christina?

CHRISTINA ROSETTE: Christina Rosette – Covington and Burling. A couple questions; a couple of observations, the first being I wholeheartedly endorse what Paul said about coming up with a way to map, whether you’re mapping from commercial databases, docketing databases, docketing software where the trademark owner’s already gotten an entire database of all their trademark data and a way to export that would be hugely time-saving.

Second, I would encourage you to think about perhaps an exception to the only one time free and then you can get rejected for errors, particularly as it relates to small businesses or individual trademark owners and I mean like individuals as opposed to companies who in



many cases will have gone through the entire trademark process by themselves and I think are likely to be somewhat frankly more prone to error in the entry.

The third thing would be that to the extent that you anticipate requiring documentation from licensees, I would encourage you to a) allow for declarations from the trademark owner, or b) allow for heavily redacted license agreements. I can't think of a single client of mine that would allow its license agreement to be uploaded into the Trademark Clearinghouse.

With regard to Werner's point, I do think it's going to be important for a trademark owner to be able to have a report or something of what data has been put in, partly so that they can track what's in there, what still has to go in. As sunrises go, have I already entered something that's eligible?

To the extent that you are going to be doing manual entry, lawyers are going to want to be wanting to check paralegals and admins – it's just in our genes. So I would really encourage you to think about a way to do that.

And finally – and this is the thing that I want to make sure I understood this correctly – with regard to the description of goods and services – did I hear correctly that it will be almost a kind of a drop-down and if so, why? Unless you've got a class heading, you've already got the entire description of goods and services in the registration certificate.

KAREN LENTZ:

So I'm sorry. You're asking why is it necessary to...



CHRISTINA ROSETTE: Why would you use a drop-down? If a trademark owner has already developed the description of goods and services and gotten that baked into its registration certificate that's going to be the documentation for whatever it is that they're submitting, why would you ask them to basically kind of pick and choose from whatever drop-down categories you've created?

KAREN LENTZ: So well the drop... sample trademark claims notice that's in the Guidebook does include a field for description of goods or services so it's intended to be automatable so that you can put that in. The drop-down that Vicky mentioned also has an "other" category. Am I right?

CHRISTINA ROSETTE: So let me ask you this. I'm entering the trademark record and it comes to description of goods and services and let's say that I am in Class 9 which over the history of time has had all kinds of stuff in it. Will Deloitte have basically said, okay, we think the 20 most common things in Class 9 are computer software and this, that and the other, and then we'll have those. You have to pick among them and then drop other?

Or am I going to be able to have my trademark registration certificate if it's manual data or it's already pre-populated in the database and that just gets mapped right in? I don't know if I'm being clear or not. I guess what I'm saying is we've already had to develop a description of goods and services that's in our registration certificate. Let us put that in the



database as opposed to trying to figure out what abbreviated version you've created works for us.

VICKY FOLENS: To answer that, Christina, the pre-populated format is corresponding to the descriptions that already exist; we're not creating anything new. And the class numbering is next to it so it's easy to map it.

CHRISTINA ROSETTE: Oh okay.

VICKY FOLENS: So for example if you have a trademark registered in a Class 9, then you'll see Class 9 – you just have to select it and that's it.

CHRISTINA ROSETTE: Okay.

VICKY FOLENS: We're not re-inventing anything.

CHRISTINA ROSETTE: Okay.

KAREN LENTZ: Next speaker over here?



KAREN IMPERIAL:

Hi, I'm Karen Imperial; I'm working for Nestlé and speaking in the name of Marks which is a brand association in Europe. I just want to make a comment on the scope of the Clearinghouse. So I'm happy to see that you're working on it and then there is still a lot to do – a lot of details. And it could be quite a good tool for the brand owners if we really expand the scope of this tool to other services.

And you've listed on the list of what's it's going to mean for and you have other services and I think this is really important. There will be some costs associated and we also expect as brand owners that the [sur-managed] costs then will come down because it means if we do all the work first, then at least you see something.

For the trademark claims then you could also expand it over and above the 60 days so it's really a tool for the brand owners that they can use. And why not also use it as a basis for your Euro S. For example if you have a [Euro S] and you want to say this is my trademark, you refer to it and it's already there and it comes back to a question that many had – why not make it public because all the data is going to be public.

If I am a registrant, I file a trademark, I file a domain name and I get a notification then I can go and check, okay, this trademark is registered in the name of... and etc. So really I'm kind of asking to you expand the scope of this tool and so the brand owners will use it and will think okay this is something useful. And at the end of the day the consumers will also gain from a clean internet so thank you.



KAREN LENTZ: Thank you. I'll just comment in response to that that that's something that we have had in mind in terms of how we build this is that it is something new. We have a defined set of uses for it that we're agreed upon as part of the New gTLD Program. But we're also always mindful of not wanting to build something in a way that would preclude or limit different developments that could occur in the future. So that's something that we've anticipated and tried to take into account. Jim?

JIM PRENDERGAST: Good morning. Jim Prendergast – Galway Strategy Group and I am not a trademark attorney. Question about the appeals mechanism – you talked about it; sounded like it was an internal appeals mechanism. Did you consider going to an outside party as part of the appeals mechanism and if so, why did you not do that as opposed to keeping it within Deloitte or IBM or wherever it is?

KAREN LENTZ: I'll let Deloitte add something if they wish but as we've described earlier, we've tried to define the scope of the Clearinghouse fairly clearly in terms of having a verification role and a factual referring to documentation that exists elsewhere type of role, not a let's make a legal determination on whether these rates are valid or not or invalid for what purpose, etc.

So because of that, I think that what the "appeal process" really is is an opportunity to have a different set of parties review the submission against the same criteria and see if the result is the same or not.



JIM PRENDERGAST: But did you consider an outside appeals process or was it always an inside appeals process?

KAREN LENTZ: I think we did, yeah. It's partially a cost issue as well as - is there value in bringing in an independent group to look at the same sort of factual type of inquiry. Okay, John?

JOHN BERRYHILL: Hi. John Berryhill. I had a question about this notion of challenging bad data and in the hypothetical that was discussed, well if I'm trying to register a domain name and I got a trademark claims notice back, I can see that that information is invalid and go challenge it as one scenario.

Although in that scenario, I can go ahead and register the domain name, knowing that well that's crap information but it's not stopping me anyway. I'm curious how that would work in the situation where the Trademark Clearinghouse information is used to procure domains during a sunrise period of a TLD startup.

That bad data was used to register this domain which is now unavailable to me – maybe it's my personal name or something that someone was able to block in the sunrise using a fraudulent or incorrect trademark claim.

How would I be able to go from – okay, here is a sunrise registered domain name which I don't think was properly registered to identifying what trademark information in the database is to be challenged? Is that clear?



KAREN LENTZ: I think so and it's a good question – something that we're kind of... well have been trying to ponder because the issue that is really being challenged is the Clearinghouse's action of accepting that record. And that action could take place months or years after domain names were registered in the sunrise, right? So it's difficult to retroactively go back and take away domain names or take some action like that based on that.

JOHN BERRYHILL: Now that was run in .info where the sunrise registered domain names in .info identify the trademark claim upon which the sunrise domain name registration was premised. I don't know if that's standard across all of the applications but at least all of the applications are published and maybe that's something that should be looked for in the evaluation. Thank you.

KAREN LENTZ: Thank you. Michelle?

MICHELLE JOURDAN: Hi, Michelle Jourdan reading on behalf of the remote participants. What about words used in commerce, in or out of Virginia on an FTP server?



KAREN LENTZ: I'm not 100% sure I understand the question, but I'm assuming it's taking an instance of something that somebody would want to put into the Clearinghouse as a form of trademark or intellectual property and like I said, we just refer back to the eligibility requirements that are in the Guidebook.

They are the three types that Vicky mentioned – a nationally or regionally registered; court validated or protected by statute or treaty. There's a fourth category which is something that, as Vicky described, would be able to be worked out with the registries if it was a form of intellectual property that a registry wished to work with, so that's the answer to that.

And there will be along the implementation of those four types I think we'll be able to provide some additional guidelines as to how those are taken and considered.

MICHELLE JOURDAN: Can I read one more? Is there a bulk entry method to enter multiple trademarks at once in a flat file, etc.?

JAN: I think we answered that already. Jan gave an example of how we will create an x amount of interface and so on.

WENDY PROFIT: Wendy Profit on behalf of a couple more remote participant questions. This one may be also answered, but similar to the last one. Will agents be able to set up multiple accounts so they will be able to turn over a



holder's registrations to it in the future if needed without disclosing information of other holders agent represents? For example, it looks like all holders' information will be mixed together in the agent's account.

KAREN LENTZ: Can you read that again, Wendy?

WENDY PROFIT: Sure. Will the agents be able to set up multiple accounts so they will be able to turn over a holder's registrations to it in the future if needed without disclosing information of other holders agent also represents? And the example is it looks like all holders' information will be mixed together in one agent's account.

JAN: We received that question already earlier today and we're looking into that on how we're going to deal with that. We call the requestor whenever that was possible. We haven't really worked around that yet at this moment, but it's clearly something important and we're looking into it to see how we can deal with that.

WENDY PROFIT: Thank you. I have one more for the remote participant question. Regarding the 90 days to enter a record, will this be rolling depending on the date of the award of the particular gTLD?



KAREN LENTZ:

So this is in regard to the comment that I made earlier about us having a kind of rule of thumb that we want to allow at least 90 days prior to any new gTLDs going live for rights holders to put their information into the Clearinghouse. And the question I think goes to is that one period or is it per TLD.

It's really one – whatever the first new gTLD is that comes out of the New gTLD process. before anybody's going to register names in that, we want to have at least 90 days for rights holders to have put their data in the Clearinghouse. Tom?

TOM BARRETT:

Hi, Tom Barrett from EnCirca. I got a few questions. Regarding the special characters that get transcribed based on the language of the jurisdiction, what do you do for jurisdictions that have more than one official language? India has 17 for example, so how would the trademark owner indicate what language to use?

Regarding the field for goods and services, I just want to understand how we might use that information because my understanding is that's a generic description of the international class and in fact you will store the class against that record.

So is it intended for those TLDs that might want to have additional sunrise according to class but I think I also heard that you would also use that goods and services within the claims notice itself and obviously that's a very generic description. I may not reflect the trademark's goods and services itself. So is that understood and clear?



KAREN LENTZ:

I think so. In terms of the jurisdictions where there are several official languages, the intention is that all of them would be available. They may not all be necessarily as important to the rights holder, so if there's a case where there are many, many permutations, they have the election of which ones to incorporate and then can pay for additional ones.

And then on the goods and services field, I think your question goes to the generic description of the class of goods or services may not tell the recipient of the claims notice in much detail what type of products or services that those rights relate to.

And I think the intention... the claims notice needs to be as much as possible contained within a reasonable size so that's kind of the reason that we've allowed the other option to be there too so that a free-form description can be provided, so long as it's not pages and pages, something that concisely conveys to the trademark or to the notice recipient what the relevant information is.

TOM BARRETT:

So in short they say although you don't capture the class – is that right? You don't map it to a class?

KAREN LENTZ:

So there's the... so right now correct me if this is wrong. It's either/or. You're going to choose according to the populating classes or if that doesn't apply, you're going to use the other option.



VICKY FOLENS: There's an open comment field – "other" - where you can actually enter if for some reason you think the classes are not out there.

KAREN LENTZ: Okay, Jeff?

JEFF NEWMAN: Good morning. Jeff Newman. Just first a real minor comment. I think on one of the charts where you listed the trademarks and the strings, you call the strings a U label and actually really technically that's only used for IDNs. So just if you could make it a little bit more clear. It makes sense when you convert an IDN to the Unicode version. That's the minor one.

You'll be happy to know I'm not going to come up here and talk about the centralized versus de-centralized model. We're working through that. The only thing I will say is it will have an effect on fees and I know there was a woman who asked about fees before.

And as part of the budgeting process, I will say that it's not only the fees that the Clearinghouse will charge, but there may be fees that a registry has to charge, depending on which type of model is adopted.

So if it's a de-centralized model, for example, the registry is doing all of the work or not all, sorry, a lot of the work, so the registries might have to charge to make up for those costs. Centralized model, however, may be the other way that Trademark Clearinghouse is doing more of the work and then the fees may be a balance of that.



And with respect to fees, I'm not going to ask you what they are but what I am going to ask – there was a question about the model, the fee model and at the last meeting in Prague and even at the forum that we had, we the registries had asked, at least with respect to the charge to the registries, to examine the transactional model meaning a per domain, maybe a small startup fee or setup fee, but a transactional fee as opposed to a flat \$10,000 per registry.

It's our view that the more you use the Clearinghouse as a registry, the more you should pay the less you use it. So a brand TLD – we made this point the last time at .Neustar for example where our sunrise is not really going to be a sunrise - although we have to do it - we shouldn't necessarily be paying the same price as an open TLD that's got millions of registrations. So again, I'm not asking you what the price is but are you coming back to the community with a transactional-based pricing?

JAN: The only thing I can say right now is that nothing is off the table.

JEFF NEWMAN: So I guess then my point... the question to ICANN is at a point when it is on the table and you do know that, I think that is something that should go out for comment to the community. Even if there are options – there may be an option – it's either this flat fee or this transactional, but that's not something that I'd like to see in a closed room decided for us. That should be something that we as a community should be involved in. Thanks.



KAREN LENTZ: Thank you. George?

GEORGE SADOWSKY: Thanks. George Sadowsky, ICANN Board. You've explicitly mentioned the use and the ability to respond in different languages but nothing I think has been said about different scripts. So could you talk a little bit about the use of extended Latin diacriticals, etc. as well as other alphabets, such as Arabic, Chinese, etc. Are the systems ready for it? Are you going to be able to implement these at the beginning with the Latin? What's the plan?

VICKY FOLENS: I can confirm that the system is ready and we can accept any language as any script and I should have actually put an example out there. My apologies for that but it is ready.

GEORGE SADOWSKY: Okay, thank you.

KAREN LENTZ: Claudio?

CLAUDIO DIGANGI: Thanks, Karen. Claudio DiGangi with the International Trademark Association; we're a member of the Intellectual Property Constituency. I just had a couple questions. On slide 13 you listed... had to do with eligibility. There's a rule in the Guidebook that marks in the opposition period are not eligible and I'm not sure if this was inadvertently left off



the slide, but I just wanted to confirm that you guys are taking that into account. And I also have a question about the implementation of how that might work. So I just wanted to clarify – it doesn't seem like that's up on this slide.

And that would be in the scenario if somebody went and committed fraud on a trademark office, rushed, got a registration and then tried to get a sunrise off of it. We've seen the game in process before. This rule was put in to insure basically that the mark goes through opposition and the rights are fully rested essentially. Was that just a mistake that you left it off the slide essentially?

KAREN LENTZ:

Yeah so that was a question that came up yesterday as well and I think it probably just was left out of the slide and as you alluded to, there's a few guidelines that need to be developed to take that scenario into account.

CLAUDIO DIGANGI:

My follow-up question would be what does it mean if you're in the opposition period? Let's say the opposition period is 90 days; on day 89 someone files an opposition. Does that mark qualify or not cause it might take months to resolve the opposition. Do it's not really clear when you say "within the opposition period" exactly what that means. I just think it needs to be flushed out more clearly essentially for implementation.

And, Karen, that goes sort of to a broader point. I think if the actual implementation model was posted for comment, we could probably get



the whole community to look at this issues and weigh in a little bit on a deeper level.

In terms of the proof of use, essentially the role of the Clearinghouse, the role that Deloitte's going to be performing, is more just data verification. And all these different fields are... you could verify the date on an objective basis – does the mark match the trademark owner; does the name of the mark match; do the registration's numbers match, etc. It's all objective. You guys are sort of playing a neutral role in that regard.

But in terms of proof of use it seems like there's going to be subjectivity in terms of valuating the proof of use that's submitted. So my question is how is that going to work? If somebody submits a specimen of use, are you going to look at it and make a subjective determination? If it doesn't look like somebody just puts blog on a pencil, for example, and says, "Here's my product," how are you going to determine which specimens are valid specimens of use and which are not? And then I have a follow-up question about that.

JAN:

So it's exactly the same as how do you train people to look at proof of use. So the idea is that there will be a set of questions to which the answer can only be yes or no and depending on whether it's all yes and whether there is a no in there, it's going to be accepted or not.

And I know yesterday during the IBC people were asking around what are those questions so I think that is something that we need to come



up with so that you can clearly see that it is something that is objective and not subjective.

CLAUDIO DIGANGI:

Right. There's this sunrise dispute eligibility procedure built into the Guidebook. What we suggested in our public comments is that the challenge should operate at the registry level. So if someone has a dispute we don't want the Clearinghouse being a trademark office and making these determinations.

It can actually happen at the registry level if you build the right rules. It would require updating the sunrise eligibility rule in the Guidebook though to do that.

A question about the matching rules – the implementation documents spell out that special characters – and it lists the at sign and the ampersand sign – is there any reason why this is being limited to these characters and not the plus sign for example cause there's a lot of trademarks that have plus sign; you could easily spell out plus for example.

KAREN LENTZ:

Yes, that's agreed. And the language in the Guidebook does provide special treatment for those two characters specifically. That was based on the guidance of the STI Group and in the recommendations, the word only is actually used there. So only these special characters get this translation rule applied to them – the ampersand and the "at" and that's why in this implementation it focuses on those.



CLAUDIO DIGANGI: Cause I've looked at the SCI report and they just list those in a [parenthetical] article. I think the clause... I don't understand why only those characters would be singled out. I don't understand the distinction between those characters and other special characters. It seems like they were just listed as an example. Even if it's based on the SCI recommendation, I don't understand the underlying logic behind why those characters are different than other characters.

KAREN LENTZ: Yeah, I guess I would have to go back to the discussions that took place but my understanding is that there was a discussion of how broadly or how narrowly to tailor what would constitute an identical match. And my understanding of the result was that those two characters were... it was limited. That treatment was limited to those from the group of characters that I think had originally been larger.

CLAUDIO DIGANGI: It just seems inconsistent with trademark law you'd be essentially excluding validly registered trademarks for inclusion in the Clearinghouse just because they had these other characters in there.

KAREN LENTZ: Well yeah, they're not excluded from registration in the Clearinghouse; it's just the matching rules don't apply to those matching domain names automatically.



CLAUDIO DIGANGI:

Right, okay, and then also my last question is in terms of the eligibility rules – the first one says word marks are eligible and then the fourth clause or other marks that constitute intellectual property. So those can include... like our interpretation of 4 is basically when trademark owners have adopted logos which incorporated their word marks and have only registered the composite mark consisting of a text plus a design.

So we're talking about stylized letters or text plus design – those are other marks that constitute intellectual property. Just to be clear, I'm not talking about textual descriptions of design marks, but just marks that might have stylized letters. It seems like 4 is sort of the catch-all to get those in there. Is that consistent with your interpretation, Karen?

KAREN LENTZ:

So as I mentioned, I think we'll be able to provide some more guidelines around those four categories that are listed in the Guidebook. In regard to the other marks category, further down in a corresponding section of the Guidebook it describes those as something that would be arrived at by an agreement with the registry that had proposed a specific type of mark or intellectual property that they wanted to protect. Thank you.

Okay we're actually already past time so we'll finish the queue that exists, but if you can limit the remarks if you can. Thanks. Michelle?

MICHELLE JOURDAN:

I'll just ask one more. Michelle Jourdan reading for the remote participants. Regarding annual renewal, if the mark has only six months left on its national registration, will it change to invalid on the date of expiration unless a new renewal record is entered during that six



months? How far in advance of the expiration must the record be submitted? Regarding U.S. records, how would you deal with the marks that are in the grace period?

VICKY FOLENS:

So in principle when your trademark expires within the period of the 12 months you actually have the obligation to keep your trademark record at all time accurate so you will be able to provide us with the trademark renewal fees.

And as for the second question as to when – for a U.S. trademark there's no expiration date, but there's always a registration date or application date, and depending on the corresponding national law, the term is fixed from the application and the registration date. So it will be possible to complete the expiration date.

MICHELLE JOURDAN:

Thank you.

KAREN LENTZ:

Thank you. Mark?

MARK TRACTONBERG:

Mark Tractonberg with Winston and Sean, a member of the ITC. I think I understood you to say that there'll be at least a 90-day notice period before the first delegation of any TLD but not a similar notice period for subsequent delegations. Was that correct as far as being able to having notice to enter marks into the Clearinghouse?



KAREN LENTZ:

So certainly I think there will be advance notice of any time there isn't a new sunrise. I think that the Clearinghouse is tracking that information and then the registries will of course be publicizing and making that information available.

But what I meant to suggest was in terms of operational capabilities for the Clearinghouse that in a global sense before any of the new gTLDs are beginning registrations, we want to have at least 90 days for rights holders to put data in.

MARK TRACTONBERG:

I think I'll just point out that there should be built into the system some sort of similar notice, whether it's 30, 60 or 90 days, for each subsequent delegation because otherwise the burden is on the trademark owner to enter their entire portfolio into the Clearinghouse at the very first 90-day period because we're not going to know which TLDs are ultimately going to delegate or what the requirements are going to be.

And so if you have a country like China where you have to register in each of the different classes, all of a sudden this become enormously expensive for trademark owners. So I think it's critical that the process include some sort of reasonable advance notice, again 30, 60, 90 days – whatever it is – just something built into the system.



KAREN LENTZ: Thank you. So your request is that there would be some sort of automatic tracking notice any time there's a new gTLD going online?

MARK TRACTONBERG: Exactly because we're not gonna know. You guys are going to know so it's easier for you to post notice and what method of notice you use – I would suggest the ICANN website and various other outlets. That could be figured out later but at least some sort of reasonable notice to the public and the trademark owners so that we have time to decide whether we want to put the relevant marks into the Clearinghouse.

KAREN LENTZ: Thank you. Last speaker.

JEAN-PAUL [BECHAT]: Jean-Paul Béchat, CEO of [Name Shield]. We've got in our system databases of trademarks – we've got a few million of them – and we have noticed that there's a lack of consistency in the way trademark owners register their trademarks. And sometimes there's a small difference. One of the companies that asked you a question – I looked in the database and I found out four different ways they did register their trademarks. Sometimes it's a small difference; there's a lack of a word. It's still the same company. How are you going to deal with those?

JAN: Well if it would be purely automated in an automated way, that's sometimes difficult to match but in this case it's people who will do the



matching and they should be able to make the difference or to see to which extent the two records are the same, which is not different from how we have done this in the past during sunrises.

KAREN LENTZ:

Alright thank you everyone for your attention. Thanks to the team up here for presenting and answering the questions. We look forward to hearing from you again and the next session in this room is the WHOIS Update at 11:00. Thank you.

[End of Transcript]

