

TRADEMARK CLEARINGHOUSE (TMC) PROPOSAL (15 Feb.-1 April 2010)

Source: The text of the comments may be found at <http://forum.icann.org/lists/tm-clear-15feb10/>. The transcript text (Nairobi meeting) may be found at <http://nbo.icann.org/node/8927>.

KEY POINTS:

- Registries must offer either a pre-launch sunrise registration service or a pre-launch trademark claims service utilizing marks in the Trademark Clearinghouse.
- IP claims services must recognize all marks in the Clearinghouse, including nationally and multi-nationally registered marks, and marks protected by law, court- or Clearinghouse-validated marks, and marks protected by statute or treaty effective now and before adoption of GNSO policy recommendations.
- Sunrise services must recognize the same marks as IP claims services, except they need not recognize registered marks that are from jurisdictions that do not perform substantive review at registration unless those marks have been subsequently validated by a Court or the Clearinghouse.

SUMMARY OF COMMENTS

Clearinghouse as a Rights Protection Mechanism (RPM)

General Support for Clearinghouse. The proposed TMC will be a powerful tool for protecting rights holders in new TLDs. I endorse the new feature that provides for the validation of marks where substantive review was not previously undertaken. *R. Tindal (1 April 2010)*. *Demand Media (1 April 2010)*. ECTA and MARQUES support the TMC proposal, subject to their comments. *ECTA/MARQUES (1 April 2010)*. GoDaddy cautiously supports the TMC as an aid for new gTLD registry operators in conducting their “sunrise” registration periods or equivalent early opening for marks holders. *Go Daddy (1 April 2010)*. The TMC is a storage facility to accumulate, validate and organize data; it will not be a policy determination facility. The bottom line is that it will bring efficiencies to an RPM regime for new gTLDs. *Demand Media (1 April 2010)*.

Support for TMC with modifications. NCTA supports adoption of the TMC only with appropriate changes. *NCTA (1 April 2010)*. I support the TMC proposal except for attempts to remove registry operator discretion to model its own pre-launch RPMs. A middle ground is needed to grant all trademark holders certain rights but not to remove discretion of registry operators to offer specialized and innovative solutions for trademark holders (e.g., registry should have discretion on using a sunrise or a claims service, depending on specific situations, and the Applicant Guidebook needs to be clear on this point). *J. Nevett (1 April 2010)*.

Unfair trademark protections. The proposed trademark protection regime in the new gTLD program is unfair, reflects a dismissive attitude toward registrants, and will favor ICANN “insiders” such as trademark lawyers and the corporations they represent,

search engine operators and registrars. Even now a large proportion of the 85 million DotCom registrants remain largely unaware of the impending changes to the domain name system despite the material impact it will have on their domain names, many of which are critical to the operation of millions of small and medium size businesses throughout the world. In view of Microsoft's and others comments that ICANN should recognize all national trademarks regardless of validation of use or substantive review, ICANN should similarly recognize the established use rights conferred by the meritocratic registration of legitimate DotCom domains and require that applications for new gTLD strings be backed either by the ownership of the DotCom domain or the consent of the DotCom registrant of the relevant string. *P. Foody (1 April 2010).*

Need for the TMC. In the case of database driven TLDs, where the TLD equals the database name and the records the domains, there is neither a need for sunrise nor a need for trademarks as the set of domains is determined by the organization that governs the database. Therefore the proposed mandatory pre-launch use of the TMC, protection for trademarks in the TMC and the sunrise registration process raise concerns. *TLD Consulting (1 Mar. 2010).* There is no need for a TMC that is sanctioned by ICANN. It can be created and funded by the private sector. The TMC would likely be gamed and adds a new, unnecessary layer of bureaucracy to the ICANN ecosystem. *G. Kirikos (1 April 2010).*

Affirmation of commitments requirements not followed. The TMC is "policy" under the Affirmation of Commitments. ICANN or the GNSO have not published an analysis of the negative effects of the decision and an economic valuation of the financial size of the positive vs. negative effects to determine whether the benefits exceed the costs. On that basis alone the TMC should be rejected as not finished and sent back for consideration using expertise of those who are not lawyers. *G. Kirikos (1 April 2010).*

Current TMC proposal does not add value. The TMC proposal does not appear to offer a novel service to trademark owners and is redundant to many of the systems trademark owners currently have in place to protect their brands in the domain name space (e.g., domain name watch services that include not only domain name registrations identical to a trademark owner's mark but also variants such as typos and plurals). In order for trademark owners to justify expending resources for the TMC, the TMC must provide a tangible benefit not currently offered in the marketplace. *AAMC (31 Mar. 2010).* Almost every dictionary word, acronym, etc. has some registered trademark in some obscure class of goods and services. That does not give it exclusivity or a right-of-first refusal over all uses worldwide. *G. Kirikos (1 April 2010).*

Verified Whois alternative to TMC. The U.S. Department of Commerce or GAC should mandate Verified Whois via a PIN system (i.e. physical letter with a PIN code mailed to registrants to ensure address accuracy before a domain name gets activated). This would be a far greater deterrent to abuse and more effective than a TMC. *G. Kirikos (1 April 2010).*

Departs from STI version. Staff revisions depart significantly from the STI recommendations with negative effect. The ICANN staff revisions to the Special Trademark Issues (STI) team recommendations place the work and value of the STI in jeopardy, misinterpret the STI recommendations and in some cases are arbitrary, with no justification or reason. The TMC proposal departs significantly with negative effect from the STI's original vision. *K. Komaitis (1 April 2010).*

IRT recommendations are more comprehensive. In general, the recommendations in the IRT report provide better and more comprehensive tools for preventing and combating trademark abuse than the proposed TMC and the draft URS. The TMC and URS should be adopted by the Board but subject to the amendments set forth in Microsoft's comments. *Microsoft (1 April 2010)*. The original IRT proposal for a clearinghouse including the globally protected marks list have been watered down to the point where as proposed now the TMC no longer offers an effective rights protection solution. *BBC (1 April 2010)*. *Adobe (2 April 2010)*.

GPML at least for first round of new gTLD procedure. ICANN should give further consideration to creation of a globally protected marks list (GPML) at least for the first round. ICANN could appoint a team to produce the GPML using criteria that the current .co (Colombian) re-launch is using. *ECTA/MARQUES (1 April 2010)*. *INTA Internet Committee (1 April 2010)*.

Analysis and Proposed Position

Comments support the TMC and in particular the feature that allows registrations to be included which may or may not undergo substantive review prior to issue. Other supportive comments suggest that the TMC will not be a policy determination facility but will accumulate, validate and store data. It is believed that this is precisely the role of the Clearinghouse.

One comment suggested that registry operators do not have discretion to model their own pre-launch RPMs. While the Draft Applicant Guidebook sets forth certain minimum standards registry operators will have to follow to ensure that GNSO directives are met, such as either a pre-launch sunrise or pre-launch claims services, these standards are not all inclusive. Indeed, registry operators are free to offer specialized and innovative solutions for trademark holders should they decide the circumstances so warrant.

It has been suggested that RPMs represent an unfair protection for trademark holders and that the rights of DotCom domains should be afforded what has been asserted as a similar form of protection. At the outset, it should be noted that there are certain mechanisms already in place: ICANN developed the UDRP and most registries have conducted sunrise processes of their own. The GNSO specifically mandated that the gTLD should not infringe the existing legal rights of others. In keeping with that mandate, the IRT and later the STI with the input of all stakeholders have proposed certain additional rights protection mechanisms. However these exist to protect against abuse and to insure that the GNSO mandate is followed.

One statement indicates that database driven TLDs do not need to use the Clearinghouse. While there may be certain instances in which a Clearinghouse is not needed, these appear to be the exception rather than the rule. In any case, it seems that a database TLD would not be affected by the Clearinghouse obligation because it would not conduct a sunrise process since it is at the registries' option and also would not have to send IP Claims notices given the nature of the TLD. Given the IRT's recommendation and general support for the Clearinghouse, it is believed that on balance it remains a positive part of the RPMs to be implemented.

Some question the need for a Clearinghouse, suggest that it should be separate from ICANN and that it creates an unnecessary layer of burden in the registry process. First, it is important to note that the Clearinghouse is the result of the IRT Report and substantial public commentary that supports the existence of a central data base repository. Second, ICANN has no intention of interfering with the day-to-day operations of the Clearinghouse and envisions that different aspects will be run by more than one independent service provider. In fact, the Clearinghouse is intended to ease the burdens of registries by making a standard, less expensive sunrise service available and by offering the option of an IP Claims service to sunrise.

Some have inquired as to the benefits that the Clearinghouse will offer and have suggested that the Clearinghouse does not appear to be a novel service to trademark owners. The Clearinghouse was not intended to be novel, it already exists in several forms and was intended to be part of a greater scheme of RPMs that will be in place in connection with the launch of the new TLDs and in this regard one central TMC for a TLD launch is novel. Trademark holders remain free to evaluate whether a benefit is conferred by inclusion. The services that could be supported by Clearinghouse appear to offer a benefit to trademark holders.

It has been suggested that the Clearinghouse affords a right of first refusal or exclusivity to trademark holders. The TMC does not afford any such benefit. Inclusion or non-inclusion is of no effect on any trademark rights or lack thereof.

One commenter suggests that the revised proposal departs significantly from the STI proposal with a negative effect (without specifying how). The proposal that is being published in advance of the Brussels meeting does not place any of the STI's work in jeopardy. It clarifies which marks can be included so that the Clearinghouse can serve as intended, which is as a repository of data to be used as an RPM in connection with other RPMs. The proposal reflects a balance of the various interests of all stakeholders while at the same time maintaining the directives of the GNSO.

Other comments suggest that the RPMs be implemented as set forth in the IRT Report without change. Since the IRT Report has been released, the GNSO and the Board have reviewed the recommendations as well as the comments from all stakeholders. As a result, the STI was created to review and enhance the clearinghouse proposal to ensure it is in keeping with the GNSO policy recommendations. The result of the analysis is the current Clearinghouse (and URS).

Briefly and directly, the GPML was not adopted as an effective RPM in part because it would serve to treat similarly situated applicants differently, which is contrary to GNSO mandate. Moreover, the GPML would expand the rights of certain trademark holders, which is also contrary to GNSO mandate. Finally, determining what marks could be included in the GPML would prove to be, at best, a very difficult implementation task.

Even if some type of verified Whois PIN system is considered, the Clearinghouse is still meant to be one of many mechanisms to help protect trademark rights

Procedural Aspects

Timing

Implementation of the TMC, e.g., its timing and whether or not it must be operational in advance of the delegation of new strings, raises concerns and needs to be clarified as soon as possible. The ICANN Board approved the inclusion of the TMC in the next version of the Applicant Guidebook while the topic remained open for public comment. It is impossible to know if this action deterred additional comments or material contributions to the proposal or if the staff and Board will fully consider the comments that are made. *Go Daddy (1 April 2010)*.

How will the TMC be ready in time prior to publication of the final AG (Dec. 2010)? How will brand owners have their information submitted in this database by June 2011—there is a little more than 1 year to create and inform about this project? *J. Guillon (1 Mar. 2010)*.

A viable and operative TMC must be in place prior to the new gTLD launch and must be empowered by a reasonable set of operating rules to block as much of the trademark copying as feasible prior to registration. *IHG (6 April 2010)*.

Costs

Relationship to standard sunrise. Is the TMC, this extra mandatory tool, added to the cost of organizing traditional sunrise periods? Registries will have to pay for TMC costs because they will be required to use it, and registrants (trademark holders) will have to pay to be in this database. Is it correct that registrars won't necessarily have to pay to submit their clients' applications since they will also benefit from a standard sunrise submission procedure? *J. Guillon (1 Mar. 2010)*.

Trademark owner costs. Regarding Section 8, if the cost of the TMC is to be borne by the parties utilizing the service, then there should be no additional charges by registries to trademark owners for sunrise/claim services other than the annual domain name registration fee, and the fees should be the same as those charged for general landrush registrations. If registries are charged a fee to use the TMC for all sunrise/claim services, this fee will most likely be passed on to trademark owners in the amount the registry charges for participation in its sunrise/claim service, which would essentially charge trademark holders twice for the use of the TMC. *Grainger (30 Mar. 2010)*.

Cost apportionment. Registries should also cover costs as they will benefit from the TMC as well as new gTLDs overall. It is unfair that brand owners who have already borne costs of obtaining national trademark registrations should also bear any or all of the cost of providing data to the TMC. ICANN should also bear some of the cost, even if only initially where there is an up-front investment, since ICANN stands to generate substantial revenues through this gTLD process. *BBC (1 April 2010)*. Costs should be shared and not borne by trademark owners alone. It is of concern that trademark owners will be required to shoulder a disproportionate share of the TMC costs especially considering the limited benefits that the TMC would deliver in its current form. *Time Warner (1 April 2010)*. *CADNA (1 April 2010)*. *INTA Internet Committee (1 April 2010)*. Costs should be shared among all parties, including ICANN and applicants for the new gTLDs. *Adobe (2 April 2010)*. Costs should be apportioned among all stakeholders. All

stakeholders could benefit from a degree of predictability in informed real-time registrations and minimized trademark burdens. Further, the TMC should be run on a non-profit, cost recovery basis. *WIPO Center (30 Mar. 2010)*.

ICANN should share in the costs. All parties should know as early as possible the details of the TMC on matters of “who pays” for what. The current proposal eliminates the express statement that trademark rights holders will pay a registration and renewal fee and that registry operators will pay an access fee. *NCTA (1 April 2010)*. The TMC operating costs, or at least a major proportion, should also be borne by ICANN, registries and registrars as they are the main entities that will benefit financially from the new gTLD initiative as a whole. *Lovells (1 April 2010)*. ICANN, not trademark owners, should fund the TMC. *IOC (1 April 2010)*.

Marks holders are the chief beneficiaries of the TMC. Clarification should be provided—gTLD registries are required to use the TMC system, and the costs are borne by Marks Holders. *Go Daddy (1 April 2010)*.

Costs of ongoing TMC operations should be borne by brand holders who utilize the TMC, but the cost of establishing the infrastructure of the TMC should be borne by ICANN. *IBM (1 April 2010)*.

ICANN should establish adequate price controls to prevent registrants from paying an unreasonable sum for the right to register with the TMC and for the reintroduction of features that will reduce costs post-sunrise. *MarkMonitor (2 April 2010)*.

Separation of Functions

Further explanation desired. While the issue is not yet resolved, comments on separation of TMC functions seem to have support. WIPO welcomes further explanation on the scope of such provider separation. *WIPO Center (30 Mar. 2010)*.

Support. Demand Media supports a requirement that the TMC provider separate its functions (authentication and data provision), and the TMC maintaining a database separate from its other services is reasonable. The TMC should not be under the control of ICANN but should be subject to meaningful audits. *Demand Media (1 April 2010)*.

Analysis and Proposed Position

Comments have been submitted which express concern that the ICANN board approved inclusion of the Clearinghouse while the topic remained open for public comment and, as a result, this may have had a deterrent effect on additional comments or consideration of them. ICANN has been and continues to be committed to full and complete review of all comments. The Board created the IRT and, in effect, the STI to ensure development of a bottom-up model for public comment. Given this consistent practice and the volume of comments that continue to be received, it does not appear that there has been any deterrent effect on commentary.

A question has arisen regarding the logistics for trademark holders to submit information with a June 2011 target (a commenter proposed launch date). The service provider(s) ultimately awarded the contract will dictate the specifics, but being able to meet any and

all deadlines imposed by the process will be a consideration with any service provider that is selected.

Comments suggest that the Clearinghouse must be in place prior to the new gTLD launch. The IRT and STI recommendations for a Clearinghouse contemplate that it will be in place prior to the launch, and being able to meet all deadlines imposed by this process will be a consideration for any service provider(s) ultimately selected. It is anticipated that there be a significant period of time between the launch of the process and the delegation of new TLDs. It is also understood that mark holders need sufficient time to understand the Clearinghouse process and register names. The timing of those to events will be managed to ensure that trademark holders have sufficient time to prepare.

The manner in which costs should be apportioned has been the subject of much commentary. Some assert that the costs should be born exclusively by trademark holders; others say the costs should also be borne by registries that will use the Clearinghouse. Some say ICANN should bear the costs and others disagree. Still others say that it is unfair for trademark holders to incur additional expense, such as pass-through costs from the registries. Finally, it has been suggested that all stakeholders should bear the cost as they could all benefit from the Clearinghouse.

The costs to operate and participate in the Clearinghouse are expected to be low. Furthermore, it is believed that no one entity should have to bear financial responsibility for the operation of the Clearinghouse. As such, trademark holders that wish to participate will bear a portion of the cost; registries that ultimately benefit from the TLD Launch are also expected to bear a portion of it. It is believed that the service provider(s) that operate the Clearinghouse should be separate from ICANN, which also means that, and the STI stated that, ICANN should not have a role in financing the operations of the Clearinghouse.

It has been suggested that ICANN set prices for registration with the Clearinghouse. At this time, given that ICANN should remain separate from the functions of the Clearinghouse, ICANN will not have a role in the prices to be charged. However, the IRT and the STI have recommended that the costs for all RPMs be as low as possible so it is believed that adequate safeguards will be a part of the contract awarded to all RPM service providers. ICANN will ensure that the Clearinghouse providers operate as efficiently and effectively as possible.

In order to keep costs low and predictable, they will probably be allocated in the following manner: trademark holders will pay a fee for registration and registries will pay for the administration associated with a Claims or Sunrise service. Matching fees to activities takes uncertainty out of business activity models and the Clearinghouse can avoid adding risk cost to fees.

The tender for service providers will be public and will include fee rate as an important selection criterion.

Comments support the separation of the Clearinghouse functions and seek further explanation of the provider separation. The manner in which the functions will be separated will be further defined once the Clearinghouse is finalized and service provider(s) selected. At this time it is anticipated that repository and verification

functions will be separate if such separation is found, after research, to be effective and efficient.

Comments support the neutrality of ICANN in the Clearinghouse operations and suggest that the Clearinghouse be subject to audit. It is expected that the performance and operations of the service provider(s) will undergo periodic audit and ongoing evaluation. These requirements will be a part of the contract with ICANN.

Marks Included in Clearinghouse

The original TMC concept is significantly diluted in the Revised Proposal. The IRT report was clear that the database should contain a “panoply” of rights. The TMC now has been viewed in an unduly limited way as part of the Sunrise Registration Process and would include only registered trademarks and court-validated common law marks. The TMC was originally intended to achieve greater efficiencies and reduce cost in implementing a variety of RPMs. While there should be minimum standards for marks participating in a sunrise process and standards regarding the Trademark Claims service, those requirements need not dictate the types of data included in the TMC. For other potential uses of the TMC (e.g., watch services, notices, URS/UDRP) there is no risk in including a broad range of intellectual property rights or allowing for non-identical matches. Limiting the TMC to only two RPM schemes limits its value to the population that ICANN intends will pay for it, lessens demand and increases costs. *IPC (1 April 2010). INTA Internet Committee (1 April 2010).*

Purpose of the TMC. The TMC is not an RPM in itself and as such it should accept as broad a range of IP rights as possible. The TMC is to be a repository of information that can be used for the RPMs that are developed. *CADNA (1 April 2010).*

TMC responsibility to collect data. Rather than putting the burden on trademark owners, the TMC should compile and maintain an accurate database utilizing information available from existing public sources. *Adobe (2 April 2010).*

Grainger agrees with the overall TMC concept but limiting its coverage to only registered trademarks and mandatory use for pre-launch sunrise periods and/or Trademark Claims Services limits the TMC’s scope in a way that minimizes its effectiveness. Brand holders will not have the protection needed to combat registrations of domain names incorporating their trademarks and will still need to defensively register domains in new gTLDs. *Grainger (30 Mar. 2010.) Adobe (2 April 2010).*

Support for including only “registered and court-validated marks”. The inclusion of purported unregistered marks would defeat the purpose of the TMC because there would not seem to be any objective and cost-effective way to verify that such marks are valid. *NCTA (1 April 2010).*

Inclusion of common law trademarks in the TMC. The TMC should not be limited to trademarks or those that have been validated through a court of law or other judicial proceeding. Common law trademarks that have not been “court-validated” should also be included. This would streamline other rights protection mechanisms (RPMs) such as the UDRP and the URS that allow claims for relief based on common law rights. At a minimum, registry operators should be permitted to include such marks in their RPM and in order to do so will need the data about those rights in the TMC. *IACC (31 Mar. 2010). MarkMonitor (2 April 2010).* Common law marks do not have to be included in a sunrise registration process, but including common law rights in the TMC may be useful for other RPMs and registry operators should be permitted to respect such marks in their pre-launch RPMs. *IPC (1 April 2010). INTA Internet Committee (1 April 2010).* The TMC scope should be broader to include common law trademark rights especially where other types of intellectual property rights would not be included in the TMC. *Lovells (1 April 2010).* Further work is needed on the impact of excluding common law marks, and independent experts should be commissioned on this issue. *McEvedys (1 April 2010).*

Design Marks. Many entities will not have registered multiple variations of the mark they trade under but rather the one mark they use to carry out their business activities which will often be a logo featuring a figurative element. It would be detrimental if the TMC did not include figurative marks which contain a text element that can be clearly identified and isolated, especially as it has been successfully applied in numerous gTLD launches, including .ASIA. *Lovells (1 April 2010)*. Excluding design marks from the TMC will adversely and disproportionately affect small and medium businesses and nonprofits that lack the resources for registering numerous iterations of their marks. As appropriate non-text marks can be screened from inclusion in certain RPMs. IPC supports inclusion of non-text marks in a sunrise registration process or Trademark Claims service and notes that the complexities of these processes are not insurmountable given the launches of .eu, .asia, .mobi and .tel. *IPC (1 April 2010)*. *INTA Internet Committee (1 April 2010)*. IBM seeks a clarification in section 4 regarding “text marks”. IBM supports having the TMC include not only “text marks” but also design marks that are primarily text based and have a de minimis design characteristic. Otherwise the TMC will unfairly preclude design marks clearly recognizable in plain text and easily appropriated by cyber squatters. *IBM (1 April 2010)*.

Refer to WIPO issue of marks included in the TMC. Because confusion remains about proposals to limit the marks included in the TMC to registered trademarks or court validated common law marks, this issue should be referred to WIPO for a recommendation. The TMC should hold registered, court validated and common law rights insofar as the country from which a request for inclusion in the TMC originates protects such rights. The existence of a trademark in the TMC does not necessarily mean that the trademark owner should be eligible for the RPMs operated by registries. It is possible for operators to validate different types of rights including word marks, device marks, designations of origin, geographical indications and unregistered rights including famous personal names (if protected in the country of origin). The TMC should accept all of the above without discrimination. *ECTA/MARQUES (1 April 2010)*.

International and national trademark laws and policies. The latest TMC validation proposal does not truly address concerns, including those of the GAC in its Nairobi Communiqué, regarding treatment of substantive trademark examinations. Noting that ICANN seems to contemplate some form of challenge/removal process, consideration should be given to whether it may rather be appropriate to treat nationally-registered marks as *prima facie* valid. *WIPO Center (30 Mar. 2010)*.

Including trademarks that have not been substantively reviewed is a deviation from what the STI group agreed to and creates a problem in that it broadens the scope of rights too far. It will allow for generic words to be essentially trademarked and entitled to new gTLDs when in fact trademark law would not allow for that. *R. Gross, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 5 (8 Mar. 2010)*.

Unfair and arbitrary exclusion of trademarks with a gTLD extension from being listed in the TMC. This unfair provision is unjustified and fails to recognize that there are small and medium businesses that operate solely on the Internet which have acquired valid trademark rights and have gone through the traditional trademark assignment test. *NCUC (2 April 2010)*.

Special statutory trademark protection. The TMC must recognize special statutory trademark protection (section 4) and must include a reserved names list for the Olympic Trademarks. At the very least the TMC should recognize special statutory trademark protection as a basis for inclusion. Section 4 could be amended to include “c) Any text mark explicitly protected by international legislation” as an additional “standard for inclusion.” Including the Olympic marks in the TMC would not require creation of a “definitive list” of such special trademarks because few, if any, other marks are similarly situated. Relying on court validation for inclusion of statutorily protected marks mistakes the unique character of special statutory trademark protection, which can be said to supersede the protection offered by regular common law use or registration. Failure to adequately recognize the statutory protection in the TMC is tantamount to ignoring the small, discrete group of nonprofit entities that special statutes are enacted to protect. *IOC (1 April 2010).*

Burdensome criteria for inclusion in the TMC. Requiring a declaration from the trademark owner is burdensome. Why would a certified copy of a valid trademark registration certificate not suffice? Including only “text marks” excludes many trademark owners who have combined text + device marks. By limiting the marks to those that are “in use” (page 5) ICANN appears to be proposing a significantly higher threshold test for “validity” than is imposed by national trademark law in many jurisdictions. Also, what is the reason for excluding trademark registrations that include TLD extensions such as .com? *BBC (1 April 2010).*

Analysis and Proposed Position

It has been suggested that the Clearinghouse as currently proposed dilutes the IRT recommendations and does not contain the “panoply” of rights contemplated by the IRT Report. Some say that because the Clearinghouse is not an RPM, merely a database, it should accept broad IP rights.

The purpose of the Clearinghouse is to serve as a data repository to be used in connection with other RPMs. That purpose continues in the current proposal. Indeed, while it is true that the Clearinghouse will merely validate and store data, at this time, its role is limited to trademarks, a limitation that has been met with overwhelming support. The Clearinghouse is constructed in a way to allow service providers to establish other services – this may involve accepting additional types of rights registrations.

Some have suggested that trademark holders should not be required to submit the data to the Clearinghouse but rather the information should be accumulated from public sources. While there are some publicly available sources that provide accurate and reliable information, all data affecting holder’s rights is not necessarily publicly available in an expeditious fashion. Moreover, imposing such a function on the Clearinghouse will delay the process, be over inclusive, uneconomic and could lead to inaccurate and incomplete results. As such, on balance, it will be up to the trademark holder to submit whatever data it wishes to be verified. It is for ICANN to clearly communicate this information to Trademark holders around the world in a time sufficient to register their marks if that is their desire.

Which marks to include and to what extent unregistered marks should be included in the TMC has been the subject of numerous comments. Since the role of the Clearinghouse is to house data pertaining to trademarks, an attempt to include all trademarks is what

has been reflected in the definitions to date. There are marks that are not registered that have been afforded protection by law (i.e., court rulings, statute or treaty). On balance allowing an unregistered mark that has been adjudicated as a trademark (or as being afforded the same recognition as a registered trademark) meets the requirement of data verification without requiring a registration and does reach those marks that have been found to serve as a trademark regardless of the registration. Indeed, in response to comment, this version of the Clearinghouse proposal has added inclusion for those marks that are protected by statute or treaty.

Some have stated that allowing more than text marks would have the unintended effect of expanding a trademark holder's rights because the rights do not extend to the words but only to the designs. Others have suggested that some design marks are understood as text (those with de minimis design) and those marks should be included. Including some designs but not others will invariably lead to inconsistent results as there will be debate as to what constitutes de minimis design or whether the design is understood as text. The inclusion of selected design mark may effectively expand rights or result in uncertainty. Therefore, the Clearinghouse is currently limited to text marks only.

There has been a suggestion that the nature and extent of the marks to be included in the Clearinghouse should be referred to WIPO for determination. Nothing in the STI or IRT Report contains such a provision nor has the GNSO recommended such a reference. All the same, WIPO has been involved in all stages of the process and has submitted comments on many of the topics – which have been carefully considered.

Whether marks should have to undergo substantive review prior to inclusion in the Clearinghouse has been the subject of commentary. Some have suggested that if substantive review is not required, gaming will result and those jurisdictions that do not review applications will become "havens" for unscrupulous trademark holders. To eliminate marks from jurisdictions without substantive review would discriminate against registrations based upon their source of origin. As such, whether the mark has undergone substantive review will not be a prerequisite for inclusion in the Clearinghouse. The more important topic on this matter is: which trademarks will the registries be required to honor in their sunrise or claims processes? That issue is described below.

By allowing marks incorporating top level extensions into the Clearinghouse as marks, such as "icann.org," such a practice will undermine the very protection mechanism the Clearinghouse was designed to provide. For example, allowing a hypothetical "[icann.org](https://www.icann.org)" into the Clearinghouse could lead to likelihood of confusion among existing trademarks thereby increasing registration costs and the need to resort to the various rights protection mechanisms and/or other tribunals to resolve the confusion. On balance, given that the goal of the Clearinghouse is to support protection of legitimate trademarks, not increase likelihood of confusion, words that contain the top level extension as a part of the "mark" shall not be included in the Clearinghouse.

Marks Registries Must Recognize

ICANN should return to the original GNSO-STI language. The revisions to Section 7 radically expand the core functions of the clearinghouse and raise its costs. It is outside the scope, mission and expertise of ICANN and its contractor to make determinations about the use of goods and services of Registered Marks. Such evaluation would create prohibitive costs, which would be almost impossible to estimate and allocate fairly. Section 5.2 of the GNSO-STI recommendation provides a much narrower and more straightforward alternative. Nothing about the recommendation states that the new gTLD registries will immediately or automatically eliminate registrations from jurisdictions which do not conduct a substantive review of their trademark applications prior to issuing a registration. In fact there will be considerable pressure on the registries to recognize and accord full weight to such registrations. The original STI language provides a necessary balance in terms of stakeholders and the approach to abusive trademark registrations. *RySG (1 April 2010). NCTA (1 April 2010).*

The compromise suggested by ICANN for an additional validation process for trademarks from countries that do not conduct substantive review is a good way forward. A new gTLD registry conducting a required IP Claims or sunrise process could choose based on what works best for their particular type of registry. *Demand Media (1 April 2010).*

Substantive review.

Many jurisdictions provide acceptable alternatives. This requirement would exclude many marks (e.g., all European Community trade marks, UK marks registered after October 2007, etc.). ICANN's apparent suggestion that registries will have discretion whether to recognize trademarks from countries which do not perform substantive review during Sunrise or Claims is unfair and may lead to disparate treatment depending on the registry concerned. Further, ICANN's compromise that such marks go through an additional "validation" that they have been used is onerous, is inconsistent with national legislation around the world (e.g., grace period between registration of a mark and obligation to use it), and could harm rights holders if sensitive and highly confidential information is exposed to third parties in the process of determining evidence of use to "validate" the mark. It is also not clear what is meant by "inclusion in the CH is not proof of any right" on page 2. *BBC (1 April 2010).*

Protection must be mandatory for registrations from countries and regions lacking substantive review (section 7). New gTLD registries must not be given discretion to deny their protection. If domain name speculators are concerned with the ease by which generic words can be registered in such countries, then domain name speculators should bear the onus of initiating the challenge procedures recommended by ICANN. Trademark owners should not have to bear an additional burden of validation in the TMC for their already presumptively valid trademark registrations. *IOC (1 April 2010).*

All national trademark registrations, properly authenticated by the TMC, should be eligible for pre-launch RPMs (sunrise or trademark claims processes) without "validation" of use. The "validation" anticipated in the current proposal will be very onerous to administer, and it embodies ICANN's implicit determination that some national trademark registrations and by extension their national trademark offices and laws are "better" or more "valuable" than others. ICANN has no basis for this determination, is not qualified to make it and should not make it. Further, new gTLD registries should not be permitted

to impose artificial eligibility requirements with the intention of using these requirements to exclude trademark registrations from countries that do not conduct “substantive review.” *Microsoft (1 April 2010)*.

All trademark registrations of national or multinational effect must not only be eligible for inclusion in the TMC but must be capable of serving as the basis for an RPM (such as a sunrise or trademark claims service). *Time Warner (1 April 2010)*.

At a minimum, ICANN must give the most objective and precise definition possible of what should be considered a “substantive review/examination”. For instance, ICANN could define jurisdictions that do not conduct “substantive review” or “substantive examination” as those which do not provide for an examination or an opposition between filing and registration of a trademark. However, such trademarks would be subjected to an examination and/or opposition after registration. National systems falling into this category could be exhaustively listed by ICANN and there would then be an additional burden on a trademark owner to produce evidence that their trademark has successfully passed post-registration examination and/or opposition. *Lovells (1 April 2010)*.

While appreciating the staff’s recommendation to make marks from jurisdictions which do not undergo “substantive review” part of the mandatory pre-launch use of the TMC, this could create “trademark havens” where deceptive and frivolous mark owners may turn to register their marks more easily and avoid rigors of requirements in jurisdictions around the world, which would cause major problems for noncommercial registrants and individual users as well as existing trademark owners. ICANN must ensure that the trademarks derived from these “trademark havens” constitute legitimate use of a trademark right including undergoing substantive review. *NCUC (2 April 2010)*.

Regarding dictionary words and trademarks, the focus should be on provision of evidence that the trademarked dictionary word is actually being used in a trademark sense. *B. Lieben ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 9 (8 Mar. 2010)*.

New eligibility restrictions for name registrations are harmful. The new proposal to require registries to enforce eligibility restrictions about who can register names is unnecessary, harmful to rights holders and consumers, and will raise costs. This new requirement will have unintended and harmful consequences. ICANN should return to the original wording which did not require “registration restrictions” before a registry could use discretion in applying trademark classifications during Sunrise or Claims. The absence of this requirement will not make Sunrise or Claims any less effective. *R. Tindal (1 April 2010)*.

Analysis and Proposed Position

Which marks registries must recognize in their RPMs has been the subject of considerable commentary. The revisions in the last version of Section 7 reflected the desire to balance inclusion with the manner in which the data can be verified since the goal is to allow for efficient, consistent data validation.

In response to many public comments received in this regard, the revised proposal now calls for a distinction between Trademark Claims and Sunrise services. For Trademark

Claims services, registries must recognize all nationally and multi-nationally registered marks, all court- and Clearinghouse-validated marks, and all marks recognized by statute or treaty now effective and effective prior to adoption of the GNSO policy recommendation on 26 June 2008. For Sunrise services, registries are not required to recognize or provide protection for registered marks that were not authorized validated through courts, the Clearinghouse, or by way of treaty or statute.

Sunrise Services Must Honor the Following Marks:	Trademark Claims Services Must Honor the Following Marks:
<ul style="list-style-type: none"> – Nationally registered marks w/ substantive review – Internationally registered marks w/ substantive review – Court validated marks – Clearinghouse validated marks – Statute and Treaty recognized marks 	<ul style="list-style-type: none"> – Nationally registered marks – Internationally registered marks – Court Validated marks – Clearinghouse validated marks – Statute and Treaty recognized marks

The reasoning for this approach is that it provides for a compromise: registries must recognize all registered marks when it simply must provide notice (Trademark Claims) to potential registrants and trademark holders; when a mark holder obtains an advantage, as it does if the registry offers a Sunrise registration period, the marks must somehow be validated for use, or otherwise protected by law if the registries are required to protect them.

Pre-Launch Sunrise / IP Claims and Identical Match

Opposition to elimination of recipient's express representation regarding the Trademark Claims notice. In the current proposal the decision to proceed would be viewed as an implicit representation that the party understands the notice and believes that the requested domain name will not infringe the trademark owner's rights. If the proposed registrant must make an affirmative response it is more likely that the notice was, in fact, understood. *NCTA (1 April 2010).*

Clarification about sunrise and trademark claims. ICANN must clarify that the intent of the revised proposal is to require all new gTLD registries at a minimum to either implement a Trademark Claims Service or provide a Sunrise period. *INTA Internet Committee (1 April 2010).*

Claims vs. Sunrise. ICANN should make mandatory a pre-launch Trademark Claims service. The Sunrise does nothing to prevent abusive registrations by others and is merely a means of facilitating defensive registrations by the trademark owner. *BBC (1 April 2010).*

Post-Launch. ICANN should make the TMC mandatory for all domain name registrations regardless of the date of registration or domain name extension. *AAMC (31 Mar. 2010).* ICANN should consider mandating post-launch Trademark Claims. *WIPO Center (30 Mar. 2010).* *Time Warner (1 April 2010).* ICANN should allow registry operators if they wish to operate IP Claims services across the life of the registry, as this will deter cyber squatting. ICANN should award additional points in the evaluation process for the adoption of such protection measures. *ECTA/MARQUES (1 April 2010).* *INTA Internet Committee (1 April 2010).* A post launch Trademark Claims service would benefit uninformed or innocent applicants and minimize accidental infringements and, coupled with the URS, it would assist in meeting the evidential barrier and ensure more rapid decisions against cyber squatters. *Lovells (1 April 2010).* There should be mandatory post-launch use of the TMC; during landrush periods use of the TMC would lessen the need for trademark owners to file defensive registrations. *Grainger (30 Mar. 2010.)* *Adobe (2 April 2010).*

Identical Matches.

Regarding Section 6, allowing only identical matches for sunrise/claims services and not making the TMC mandatory for all domain name registrations does not adequately curb cyber squatting, decrease enforcement costs to trademark owners, or limit the need for defensive registrations. Trademark owners still have to pay registry charges for sunrise/claim services and in addition would have to pay costs for inclusion in the TMC. *(30 Mar. 2010.)* *Adobe (2 April 2010).*

ICANN should expand the TMC's protection beyond "identical matches" to reach confusing similarity and foreign equivalents. *IOC (1 April 2010).* ICANN should broaden "identical match" to report all examples of typo-squatting and not only the examples delineated in the first paragraph of page 7. *IBM (1 April 2010).* Protection should extend beyond identical matches. *WIPO Center (30 Mar. 2010).* *Time Warner (1 April 2010).* The TMC scope should be expanded beyond identical match to include plurals and "marks contained." *AAMC (31 Mar. 2010).*

The TMC should not be limited to identical matches—this would be ineffective because brand owners will still face expensive enforcement actions and defensive registrations and consumers will continue to be misled, all of which affects Internet security and stability. To provide adequate protection, the TMC should include trademarks paired with a descriptive term. At a minimum, a match should include plurals of and domain names containing the exact trademark. *IACC (31 Mar. 2010)*. *IPC (1 April 2010)*. *ECTA/MARQUES (1 April 2010)*. *Lovells (1 April 2010)*. *INTA Internet Committee (1 April 2010)*. *MarkMonitor (2 April 2010)*.

Expansion beyond identical matches should include a defined range of typographical variations and character strings in which a protected mark is combined with any of a defined set of generic/descriptive terms. A TMC that excludes them is unlikely to provide meaningful protections or to reduce pressure for defensive registrations. *Time Warner (1 April 2010)*. Why should ICANN be entitled to disregard the well-developed body of trademark jurisprudence to come up with its own tests for relevance in relation to domain registrations? *BBC (1 April 2010)*.

The definition of “identical match” in Section 6 could generate problems and result in gaming –i.e., part (a) notes the interchangeability of spaces and hyphens or their omission. This could result in a repeat of the problems encountered in launching the .EU ccTLD which saw confusion between “famous mark”, “famous-mark” and “famous-m-a-r-k”. Part (c) (ii) states that any disallowed characters that are replaced by “spaces, hyphens or underscores” be considered a match, but the current protocol supports only hyphens in domain names strings. Spaces and underscore characters should be removed from this list. *Go Daddy (1 April 2010)*.

Minimum standards for RPMs. The RPMs operated by gTLD registries including Sunrise and Claims should be subject to a set of minimum standards. Evaluators should assess the standards during the application process to ensure they are appropriate to each specific type of registry and its purpose. *ECTA/MARQUES (1 April 2010)*.

Sunrise process—ICANN publication of new gTLD lists is irrelevant. The proposed eligibility requirements include that the trademark relied upon was applied for on or before ICANN publishes new gTLD application list that is identical to the applied for domain name. The publication of lists of new gTLDs is surely irrelevant. The trademark will be identical to the part of the domain name “before the dot” (e.g., “BBC”) whereas the list of new gTLDs published by ICANN will be the element “after the dot” (e.g., “.media”)—they are not going to be identical. *BBC (1 April 2010)*.

Analysis and Proposed Position

Many have suggested that ICANN require post-launch claims (IP Watch) services and the Clearinghouse be used for such services. Requiring such services post-launch is not what the IRT, or the GNSO-STI Model recommended. The Clearinghouse service providers can provide IP watch services, and are expected to as many companies do now..

Clarification has been sought as to whether all new gTLDs must either implement a Trademark Claims Service or provide a Sunrise period. The Applicant Guidebook

makes clear that registries in the new gTLD Program must implement either a Pre-launch Trademark Claims service or a pre-launch Sunrise registration service.

Whether and to what extent “identical” matches should be considered has been the subject of comments. Some have suggested that it go beyond identical to include plurals and others have stated that identical matches do not curb cybersquatting. Some comments suggest that the definition in Section 6 could result in gaming because of the interchangeability of spaces and hyphens or their omission and suggests that spaces and underscore characters should be removed from the list.

It should first be noted that the “identity” standard applies only to sunrise and claims services not the other RPMs. Second, the current proposal reflects a balance of rights of all stakeholders. No one system can be designed that assures the rights of a brand holder will be protected yet ensures that similarly situated applicants are treated in the same way. Every effort has been made to solicit input from the various stakeholders to come up with definitions that will not be subject to gaming. This definition of identical match was developed by the IRT and the GNSO-STI, and has been adopted as the proposal.

Some comments suggest that the registries should be subject to a minimum set of standards. Ensuring compliance and providing fair notice are integral components of the TLD launch and the RPMs and as such, the minimum standards for the RPMs will continue to be made available.

One comment has suggested that the requirement that the trademark exist prior to publication of the applications. While the suggestion might prohibit some gaming, it is impossible to implement because the trademark publication lists will continue to change. The reason for requiring that the trademark exist prior to the publication of the application is to avoid a trademark registration solely to try and obtain superior rights to a gTLD

Ancillary Services

Opposed to ancillary services. Ancillary services should not be provided by the TMC operator but the operator should be allowed to support ccTLDs in RPMs if requested. While as a matter of principle the TMC operator should not use data gathered in the operation of the TMC without the owner's consent, the reality will be that much of the data gathered will be derived from public sources, such as official trademark registers. *ECTA/MARQUES (1 April 2010)*. McEvedys emphatically opposes the proposal insofar as it anticipates the TMC offering "ancillary services" which have nowhere been defined or explained, thereby offending basic transparency as well as the Affirmation of Commitments and going well beyond the scope of ICANN's mission, functions and bylaws. The impact of the TMC has not been assessed, including complex issues such as the effect of this giant new database on privacy. ICANN should remove all references to the "ancillary services" and cease to facilitate any new privatization of the global online trademark protection. ICANN should only proceed with this after taking independent expert advice, consulting properly with ICANN stakeholders on the full functions and scope intended, and following public comment on an accessible Proposal. *McEvedys (1 April 2010)*.

Clarification Sought. ICANN needs to clarify the scope of services considered "ancillary", the parties to whom the services would be offered and the purposes of those services. The TMC provider should not have the ability to offer ancillary services based on information and data gathered from trademark owners without the owner's consent. *INTA Internet Committee (1 April 2010)*.

Support for Ancillary Services. IHG approves of the procedures identified that allow the TMC provider and others to perform additional ancillary services for trademark holders beyond simply managing the database, and the licensing options (page 5) offered to the trademark holder, specifically the ability to license the use of the data for "ancillary uses" reasonably related to the protection of trademarks in the new gTLD. ICANN should clarify how the licensee may perform these ancillary services in conjunction with the trademark holders' rights and needs. For example, if the Trade Watch ancillary services can effectively use the "trademark notice" to deny the fraudulent utilization of the trade name before allowing the registration to resolve then the TMC will be performing a very welcome role as the new gTLD launch plays out. *IHG (6 April 2010)*.

The GNSO-STI vision was to allow TMC provider(s) to provide ancillary services but only those directly related to trademark issues, not ancillary services pertaining to every single IP right. The GNSO-STI explicitly wished to limit and restrict the role, scope and services of the TMC to only trademark-related issues specifically. The revised proposal seems to give the TMC provider discretion to include any type of ancillary service, trademark-related or not. The term "ancillary services" should be replaced with "ancillary trademark services" in order to reflect the GNSO-STI's vision (section 6.1 language of GNSO-STI report). *NCUC (2 April 2010)*.

A lesser price should be charged to a registrant that opts to have its information used for ancillary services. *MarkMonitor (2 April 2010)*.

Analysis and Proposed Position

Some disagree with the ability for the Clearinghouse to offer ancillary services. Others support the idea of being able to provide ancillary services. The reasons are given with the comments. It is clear that there are numerous organizations that now offer what would be described as services to the Clearinghouse, such as IP (or post-launch) Watch services. The GNSO-STI Model recommended to allow the Clearinghouse to compete with those services, but only to the extent its competitors will be not disadvantaged by the Clearinghouse database. Thus, if, and only if, the trademark holders will allow their data to be included in ancillary services, that data must also be licensed to competitors for like ancillary services.

This ability to compete in other areas, it is thought, would make the Clearinghouse more capable and resilient in performing Clearinghouse duties. It will be up to the Clearinghouse provider to delineate what ancillary services it may offer and whether trademark holders opt in to those services will be a matter of contract between the trademark holders submitting marks into the Clearinghouse.

Miscellaneous Comments

Registrant penalty for breach of warranty. Registrants found to be in breach of the warranty not to infringe should be penalized (e.g., a fine/reimbursement to trademark owner of URS, UDRP or like filing fees payable within 30 days or in lieu of a fine a 180-day suspension of domain name privileges). A URS or UDRP decision in favor of a trademark owner should be considered a finding of breach of warranty by the registrant. *AAMC (31 Mar. 2010)*

Registrant warranty verification. What procedures does ICANN propose to put in place to confirm the truth of the registrant's warranty that registration and use of the domain name will not infringe the trademark rights of which they have been notified (e.g., sworn statement)? *BBC (1 April 2010)*.

Pre-grant objection process for trademark owners. There is a lack of balance in the treatment of registrants (who are assumed to be legitimate based on a mere declaration) and trademark owners. Trademark owners should be able to object prior to the registration of a domain name; substantial time and money could be saved by both parties if there is a pre-grant objection process, rather than forcing parties into a post-grant URS. *BBC (1 April 2010)*.

Data authentication guidelines. Section 5 needs to be amended because the data needs to be also authenticated in relation to the classification of the trademark under a specific class of goods and/or services—an important restriction on trademark rights. Section 5 should be amended to include a list cataloguing the Classes of Goods and/or Services in line with the International Classification Scheme for Goods and/or Services as well as a description of these goods and services. Failure to include the specific class information for a trademark in the TMC will inevitably lead to confusion, conflation and an expansion in trademark rights. *NCUC (2 April 2010)*.

TMC data should be in the public domain. There should be bulk access to download the TMC data for free, like the .com zone file, and the data should be free for successor TMC operators (no perpetual monopolies). *G. Kirikos (1 April 2010)*.

Marks holder participation. Will failure to include marks in the TMC have any consequences, or will it be a point of consideration in future URS or UDRP proceedings? Marks holders should participate in the full gamut of protection mechanisms, which after all were developed at their request. *Go Daddy (1 April 2010)*.

Competing or overlapping claims. Regarding the function of the TMC provider to “authenticate” claims, is there any plan or process to address the problem of competing or overlapping claims to the same mark, either in different jurisdictions or for different commercial purposes? *Go Daddy (1 April 2010)*.

TMC expansion incentives. Incentives should be provided to build the TMC database into other RPMs that registries choose to provide. Complainants in the URS should be able to rely on their TMC registrations to initiate cases, so that these RPMs are cheap and streamlined. *Time Warner (1 April 2010)*.

Penalties. If penalties will apply in certain situations to trademark owners submitting data to the TMC, then the offenses triggering such penalties need to be clearly delineated. *INTA Internet Committee (1 April 2010).*

Analysis and Proposed Position

Some have suggested that a registrant that breaches a warranty of infringement should be penalized. Another has asked what procedure ICANN proposes to use to confirm the truth of the registrant's warranty of no infringement. Currently, ICANN is not proposing a procedure to confirm this warranty and shall not take part in enforcing warranties. Of course, trademark holders will have various mechanisms within which to protect their rights, including the URS, the UDRP and courts of competent jurisdiction. One reason for this is that participants in the IRT and STI, through their recommendations, indicated that penalties would not be worthwhile. In a majority of UDRP cases the registrant gives up the name and the case and is not heard from again. Anticipating the same for URS, cost recovery is deemed to be not worthwhile. Similarly, once a registrant has lost at UDRP or URS, it will be difficult to recover breach costs.

Some have suggested that trademark holders should be afforded the right to object prior to the registration of a domain name. The current RPMs, recommended by the IRT and the STI did not recommend an objection period for domain name registrations. This is probably because such a mechanism would be expensive and time consuming for registrant, registrars, registries and even rights holders. It would multiply the time and expense to register a domain name many times so, in the balance, could not be recommended. Such a system does not seem practical. The RPMs proposed do, however, allow a trademark holder avenues of redress at various points pre- and post-delegation, including the URS as well as resort to the laws of the various competent jurisdictions. If a specific domain name becomes an issue, the URS and the UDRP remain available to the trademark holder.

Questions have arisen regarding whether the data will be authenticated in relation to the classification of the trademark under a specific class of goods and or services. The particulars of all data verification will be set forth by the service provider. The international classification system is expected to be used but considering that all jurisdictions do not follow it, it cannot be the only system used.

It has been suggested that the Clearinghouse data should be publicly accessible. While the data in its individual components may in certain jurisdictions be publicly available, this does not translate into the information in its entirety being public, as the value of the whole can be much greater than the sum of its parts. Comments were solicited on the issue and the balance favors not making the Clearinghouse data available for bulk access.

A question has arisen as to what effect if any there is if a mark is not included in the Clearinghouse. Since none of the RPMs should expand or constrict trademark rights, it is not expected that it will be of any effect. Whether to include or not include a mark in the Clearinghouse has neither consequences nor any other evidentiary effect.

One commenter has asked whether a process is in place to address competing or overlapping claims in the Clearinghouse. The Clearinghouse will have no claims or

competing rights to adjudicate. The Clearinghouse will store, authenticate and validate data. So, for example, an IP Claims service would notify a prospective registrant of multiple registrations of the same name. The intent of the Clearinghouse in its IP Claims function is to provide notice to the registrant, not to prioritize identical entries in the database.

Whether and to what extent the Clearinghouse will be incorporated with other RPMs has been the subject of comment. It is now proposed that the Clearinghouse would work with the URS in that if a mark is validated by the Clearinghouse the holder will be entitled to bring a URS claim even if the mark has not been nationally registered or otherwise validated or protected. The purpose of this is to ensure that those who have gone to the effort of seeking further validation, they should be entitled to take advantage of RPMs that have been created for the new gTLD Program. Over time, if the Clearinghouse proves to be effective, it is anticipated that there will be other ways in which to incorporate as the process develops.

A question has arisen as to whether offenses triggering penalties will be clearly delineated. The answer is yes. The details will be developed as the Clearinghouse Provider is selected and the processes for including and updating data within the Clearinghouse are developed.

ALL COMMENTS BELOW DO NOT ADDRESS THE CLEARINGHOUSE

Demand for new gTLDs. ICANN must provide additional data and explanation as to how the gTLD proposals will create economic value for all on the internet by expanding the domain name aggregate resource. The proposed expansion of gTLDs threatens brand integrity and consumer interests. ICANN should not take further steps to implement new gTLDs until the crucial brand holder protection issues are resolved. *BBC (1 April 2010).*

Opposition to new gTLDs. The IOC remains opposed to new gTLDs as whole. When and if they are launched, the Olympic trademarks should be put on a list of reserved marks, just as ICANN currently reserves its own trademarks. IOC's recommendations should not be taken as a waiver of its right to proceed against ICANN for damages resulting to the IOC or the Olympic Movement from the implementation of a number of new gTLDs. *IOC (1 April 2010).*

Resolution of trademark overarching issue. After some tweaks to the TMC and the PDDRP, the trademark overarching issue should be considered resolved. *J. Nevett (1 April 2010).* *D. Schindler (5 April 2010).*

The current trademark protection proposals fall far short. The revised proposals will diminish any realistic prospect that these mechanisms will provide trademark owners with any practical remedies. The failure to explain the reason for most of the proposed changes limits the ability to comment on the changes. Instead of the current procedure of ICANN requesting comments followed by submission of comments by interested parties, there should be an opportunity for the exchange of views about the pros and cons of various proposals. *NCTA (1 April 2010).* *Adobe (2 April 2010).*

ICANN must reconsider the deficient elements and/or disregard of the TMC, GPML, and the URS to provide more robust protection for trademark owners. A weak PDDRP necessitates strengthening the TMC and the URS and will likely reduce the prospective workload imposed on the PDDRP. *IOC (1 April 2010).*

Application of new RPMs to existing gTLD operators and registrars. The anticipated problems from creation of new gTLD registry operators already exist in the DNS as currently constituted. Thus, NCTA proposes that existing gTLD registry operators and their registrars should be subject to any new trademark protection mechanisms that may ultimately be adopted. *NCTA (1 April 2010).*

Addressing security vulnerabilities. As new gTLDs are initiated it is critical that the current domain registration process be improved to address current security vulnerabilities to criminal activity. There needs to be stronger verification of registrants' names, addresses, phone numbers and email addresses and stronger checks on how domain names are paid. These measures are consistent with current e-commerce practices and have been successfully implemented by some registrars and registries. *IHG (6 April 2010).*

Support for auctions. The current first-come, first served approach to domain name registrations has served its purpose but given the trend in domain-tasting registrations, it is time to move on to a more efficient allocation mechanism via auctions. Domain names should be divided into three classes—generic dictionary words, IP-related words,

and creative ideas. Auctions are viable for generic names, which account for most of today's domain registration volume, and auctions curb domain tasting and increase market thickness. *A. Tajirian (7 Mar. 2010).*

Public comment--process concerns. ICANN should reassess and restructure its public comment process to enable it to adequately consult the public as required by the Affirmation of Commitments. The high volume and short timing of matters put out for public comment has significantly curtailed the public's ability to provide meaningful evaluation and input on issues under consideration. *INTA Internet Committee (1 April 2010).*

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