



## New gTLD Program Explanatory Memorandum

### Trademark Protections

- A. Trademark Claims and Sunrise Services
- B. The requirement for demonstrating “use”

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### **Background – New gTLD Program**

This is one of a series of new Explanatory Memos related to recent consultations between ICANN's Board and Governmental Advisory Committee concerning ICANN's New gTLD Program.

These memos were developed to document the latest position on these topics by taking into account the current thinking, discussions and public comments received. Each memo not only reflects GAC advice but also contains the reasoning and rationale on each of the relevant issues regarding the Applicant Guidebook and the launch of the New gTLD Program.

For current information, timelines and activities related to the New gTLD Program, please go to <http://www.icann.org/en/topics/new-gtld-program.htm>.

Please note that this is a discussion draft only. Potential applicants should not rely on any of the proposed details of the new gTLD program as the program remains subject to further consultation and revision.

## Introduction

### A. TRADEMARK CLAIMS AND SUNRISE SERVICES

#### Current Environment Under Discussion

The Implementation Recommendation Team (IRT), as part of a suite of proposed trademark protections, recommended that all new gTLD registries must provide either an IP Claims or Sunrise service. That recommendation, among other IRT proposals, was included in the most recent version of the Guidebook. See Section 6 of the Guidebook at <http://www.icann.org/en/topics/new-gtlds/trademark-clearinghouse-clean-12nov10-en.pdf>.

On 23 February 2011, the GAC provided the following advice to the Board with respect to the mandatory nature of Trademark Claims and Sunrise services:

Sunrise services and IP claims should both be mandatory for registry operators because they serve different functions with IP claims serving a useful notice function beyond the introductory phase.

Several community groups also recommended that both Trademark Claims and Sunrise services be mandatory for registries to provide. The Board has carefully considered the GAC's advice, and community comments that both Trademark Claims services and Sunrise services be mandatory for the new gTLD Registry Operators.

#### Recommended Changes

After reviewing the GAC scorecard, participating in consultations with the GAC, and listening to the community, the Board has determined to change the Guidebook to make both Trademark Claims and Sunrise services mandatory. The relevant suggested revised language for the Guidebook is as follows:

#### 6. MANDATORY RIGHTS PROTECTION MECHANISMS

All new gTLD registries will be required to use the Trademark Clearinghouse to support its pre-launch and landrush rights protection mechanisms (RPMs). These

RPMs, at a minimum, must consist of a Trademark Claims service and a Sunrise period.

## 6.1 Trademark Claims service

6.1.1 New gTLD Registry Operators must provide Trademark Claims services during an initial launch period for marks in the Trademark Clearinghouse. This launch period must occur for at least the first 60 days that registrations are open for general registration.

## 6.2 Sunrise service

6.2.1 Sunrise registration services must be offered for a minimum of 30 days during the pre-launch phase and notice must be provided to all trademark holders in the Clearinghouse if someone is seeking a sunrise registration. This notice will be provided to holders of marks in the Clearinghouse that are an Identical Match to the name to be registered during Sunrise.

To summarize, in addition to making both Trademark Claims and Sunrise services mandatory for registries to provide, these changes also ensure notice to mark holders in the Clearinghouse during both RPMs.

### **Rationale for Recommended Changes**

As noted above, the most recent version of the Guidebook provided Registry Operators with a choice between offering Trademark Claims services or Sunrise services. See Section 6 of the Guidebook at <http://www.icann.org/en/topics/new-gtlds/trademark-clearinghouse-clean-12nov10-en.pdf>. Allowing Registry Operators to choose between these rights protection mechanisms was originally the Implementation Recommendation Team (IRT)'s recommendation, which was adopted by the Special Trademarks Issues Working Group (STI). See pages 21-24 of IRT Final Report at <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf> and page 9, Section 5.1 of Clearinghouse portion of the STI Report at <http://www.icann.org/en/announcements/announcement-2-17dec09-en.htm>.

After discussion with the GAC and some other community members, including those representing trademark interests, the Board has determined to make both a Trademark Claims services, and Sunrise services with notice, mandatory.

The adjusted program provides flexibility to holders of registered trademarks from all jurisdictions because it provides trademark holders with the option to receive notice through the Clearinghouse facilitated Trademark Claims service,

when someone else is attempting to register a domain name using the name, rather than paying to obtain a sunrise registrations itself.

## **B. PROOF OF USE**

### **Current Environment Under Discussion**

The current version of the Guidebook adopts the recommendations of the IRT, the community and the Board. That is, that all registered trademarks will be accepted into the Clearinghouse and all of them will be honored during a Trademark Claims service. During Sunrise services, however, the registry must honor only those registered trademarks that have undergone “substantive review,” including demonstration of “use.” Further, in the most recent version of the Guidebook, registries must offer either a Trademark Claims service or a Sunrise service, but not both.

On 23 February 2011, the GAC provided the following advice to the Board with respect to whether demonstration of use should be required in various new gTLD rights protection mechanisms:

As it relates to the Trademark Clearinghouse – “All trademark registrations of national and supranational effect, regardless of whether examined on substantive or relative grounds, must be eligible to participate in the pre-launch sunrise mechanisms.”

As it relates to the Uniform Rapid Suspension System (URS) – “Where the complaint is based upon a valid registration, the requirement that the jurisdiction of registration incorporate substantive examination (paras 1.2f (i) and 8.1a) should be removed.”

As it relates to the Trademark Post-Delegation Dispute Resolution Procedure (PDDRP) – “The requirement of “substantive examination” in para 9.2.1 (i) should be deleted.”

See <http://www.icann.org/en/topics/new-gtlds/gac-scorecard-23feb11-en.pdf>.

Each of these comments addresses the GAC’s concern that trademarks from all jurisdictions should be treated equally. Throughout the consultations held with the GAC in March and April 2011, the GAC continued to support these positions.

## Recommended Changes

The Board agrees that trademarks from all jurisdictions should be treated equally. After listening to the GAC and others, the Board agrees that “substantive examination” or “substantive evaluation” should not be included in the Guidebook as it relates to Rights Protection Mechanisms (RPMs). However, the Board believes that a registered trademark holder must demonstrate current use of the mark to be entitled to take advantage of some (but not all) RPMs.

To reflect the Board’s thinking, the following revisions to the relevant portions of the Clearinghouse, URS and Trademark PDDRP proposals will be posted for public comment.

For marks in the Clearinghouse:

7.1.1 For Trademark Claims services - Registries must recognize all word marks that have been or are: (i) nationally or multi-nationally registered; (ii) court-validated; or (iii) specifically protected by a statute or treaty in effect at the time the mark is submitted to the Clearinghouse for inclusion. No demonstration of use is required.

7.1.2 For Sunrise services - Registries must recognize all word marks that: (i) have been nationally or multi-nationally registered and for which proof of use – which can be a declaration and a single specimen of current use – was submitted to and validated by the Trademark Clearinghouse; or (ii) have been court-validated; or (iii) are specifically protected by a statute or treaty currently in effect and that was in effect on or before 26 June 2008.

See <http://www.icann.org/en/topics/new-gtlds/trademark-clearinghouse-clean-12nov10-en.pdf>.

For marks that can be the basis of a URS Complaint:

1.2.6 A statement of the grounds upon which the Complaint is based setting forth facts showing that the Complaining Party is entitled to relief, namely:

that the registered domain name is identical or confusingly similar to a word mark: (i) for which the Complainant holds a valid registration and that is in current use (use can be shown by demonstrating that evidence of use – which can be a declaration and a single specimen of current use – was submitted to, and validated by, the Trademark Clearinghouse); or (ii) that has been validated through court proceedings; or (iii) that is specifically protected by a statute or treaty in effect at the time the URS complaint is filed.

See <http://www.icann.org/en/topics/new-gtlds/draft-urs-clean-12nov10-en.pdf>.

For marks that can be the basis of a Trademark PDDRP Complaint:

9.2.1 The Complainant is a holder of a word mark that: (i) is nationally or multi-nationally registered and that is in current use (use can be shown by demonstrating that evidence of use – which can be a declaration and a single specimen of current use – was submitted to, and validated by, the Trademark Clearinghouse); or (ii) has been validated through court proceedings; or (iii) that is specifically protected by a statute or treaty at the time the PDDRP complaint is filed.

See <http://www.icann.org/en/topics/new-gtlds/pddrp-clean-12nov10-en.pdf>.

### **Rationale for Recommended Changes**

As noted above, the GAC asserts that registered trademarks from certain jurisdictions should not be given preferential treatment or protection, simply because of how that jurisdiction evaluates trademark applications. (Some jurisdictions make demonstration of “use” a prerequisite for receiving a trademark registrations while others do not.) Disparate treatment would result if registries honored only marks that have demonstrated “use” in their original trademark applications. Public comment also indicated concern over “disparate treatment” of marks from certain jurisdictions regarding the “substantive examination” or “substantive evaluation” requirements.

Over several months of iteration and discussion, the Board resolved the issue by:

Abolishing the use requirement to be eligible for Trademark Claims service. Every registered Trademark in the Clearinghouse will be honored by Registries and all Registries must provide a Trademark Claims service. Also, since provision of Trademark Claims service will be mandatory (and not a choice between Trademark Claims and Sunrise) all registered trademarks will receive protection.

All registered trademark holders (not just those from jurisdictions with low trademark registration requirements) will have to demonstrate use regardless of jurisdiction when availing themselves of Sunrise service, URS or post delegation disputes resolution processes.

Again, the Board fully agrees that registered marks in one jurisdiction should not be treated differently than registered marks from another jurisdiction. Indeed, the Board was attempting to ensure equal treatment when it passed its resolution in Trondheim, which stated that substantive review by the Clearinghouse must include a review for use (see

<http://www.icann.org/en/minutes/resolutions-25sep10-en.htm#2.6>). The Board now recognizes that the phrase “substantive evaluation” in its resolution has caused some confusion and agrees that it should be eliminated.

Requiring demonstration of use, however, is something to which the Board is still committed. Proof of use from all registered trademark holders is intended to help ensure that all registered trademarks receiving the same type of advantage from a particular RPM are evaluated at substantially the same level. In other words, all registered trademarks are treated equally.

Moreover, the Board thinks that requiring all to show use is an added benefit for trademark holders. For example, the Board does not want to see a “legitimate trademark owner who is using the mark lose that registration to someone who wasn't actually using the mark and just wanted to get it in the new gTLD.” See Transcript of the New gTLD Program: Discussion of Issues Identified by Governmental Advisory Committee at <http://svsf40.icann.org/node/22097>. Further, the Board wants to “make sure that the people who get this particular advantage that sunrise confers have actually earned it” and that “[s]omeone who just rushes off and buys a registration in five minutes or does it online and can walk up with a certificate from some registry, they are not going to get the special advantage.” See *id.*

To the Board, requiring proof of use is a pro-trademark approach and helps the trademark owner. Further and to reiterate, requiring all registered trademark holders to prove current use of their marks, regardless of the jurisdiction in which they are registered, ensures that all are treated equally.