
LOS ANGELES – Rights Protection Mechanisms: User Feedback Session
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KAREN LENTZ:

Good afternoon, everybody. Welcome to the Rights Protection Mechanisms: User Feedback Session. Our topic is rights protection with a particular focus on what the user experience has been with the new rights protection mechanisms that were built for the new gTLD program.

So if you've been to some of the sessions this week, you know that we're gearing up to do a number of review activities relating to the goals of the new gTLD program and what the impact has been. One of those areas of focus is around rights protection.

So we have, on my team, been compiling a lot of information, a lot of data and numbers, a lot of looking at all of the customer service type questions and issues that we receive, talking to our service providers about what kinds of issues did they see and looking at a number of different sources.

And we realized that what we were missing in this is hearing from the people who actually have hands-on experience with using these processes. So we wanted to make sure to account for that, and that is what this session is designed to gather – to start that conversation.

So this is how we've structured the time. I'll talk a little bit about the background on the RPMs, and then we'll have a panel, an interactive discussion. We're going to try to at least touch on the four topics you see there: the Trademark Clearinghouse and the Verification of Rights

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data, the Sunrise period that's required in all new gTLDs, the Trademark Claims Service also required, and the Uniform Rapid Suspension System.

What I'll do here is introduce these subjects and pose a number of questions, which I'll ask the panelists to respond to and also anyone here from the floor who wishes to speak to that topic.

If you do want to speak to one of the questions on these topics, we suggest that you do it during that topic area rather than waiting to the end, because we are going to try to cover a lot of ground and we want to allow a little bit of time for wrap-up at the end.

So, introductions here. I have some colleagues to help with this discussion. Going from the right of the table is Susan Payne from Valideus, Statton Hammock from Rightside, Anthony Beltron from 101domain, Antonietta Mangiacotti from ICANN, Vicky Folens from Deloitte, and Eleeza Agopian at the end is with ICANN doing remote participation.

All of these people bring different perspectives and they've kindly agreed to share those with us today.

Just to review what the rights protection mechanisms are that we're talking about, they are listed across the screen here. Sunrise and Trademark Claims, new requirements that are supported by the Trademark Clearinghouse, the URS which is a complement to the UDRP which has been an existing form of rights protection for many years, and then finally the post-delegation dispute resolution procedure on the right.

All of these work together. They perform different functions. Sunrise and Claims are really focused on TLD launch and startup processes. URS is geared towards complaints about infringement for specific names, and the PDDRP is designed to address patterns of activity if there's patterns of infringement happening in a registry.

One note on the last item. We're not actually planning on talking about the PDDRP today simply because there hasn't been a complaint filed with that so far, so there's not really a user experience to speak of.

Before we get into the topics, I wanted to give you a few data points on where we are with each of these things. The Trademark Clearinghouse opened in March 2013 for submission of trademark data. It was open by design early so that rights holders would have an opportunity to put their marks in in advance of any new TLDs launching. So you can see the trend there starting from when the Clearinghouse was opened up to today.

Looking at Sunrise periods, there's been over 200 completed, about 35 that are in process right now. The Sunrise looking at the total registrations that have been reported to us are somewhat on the small side according to what some people might have expected or predicted. The highest that's been reported to us currently is 713, and from the set of TLDs that we looked at where we had complete data, which was 228, the average was around 118 registrations on a Sunrise.

Looking at the claims period, over 100 of those have been completed. Close to 100 are going on right now. You can see there have been a lot of claims notices sent, meaning displayed to a potential registrant. That claims notice says "FYI this name matches something that's been

recorded in the Clearinghouse. Do you wish to proceed?” So high numbers there.

Cumulative claims transactions, the second number of 60,000, is the number of registrations that proceeded once the notice was shown. So for something to be a claims transaction, it’s reported to ICANN as a name that was subject to claims and where the registrant did proceed to registrar it after acknowledging the claims notice.

Looking at within the 90-day claims period, approximately how many claims transactions occur, it’s close to 300.

And finally, the URS – so this is kind of an estimate. We’re still trying to piece together the different sources of data we had here, but the goals of the URS were to be faster and cheaper than the UDRP.

So we tried to do a comparison. We think there have been around 145 cases so far. We tried to do a comparison of what that amount of URS cases, how long they would’ve taken had they gone through the full UDRP process and be subject to those same fees. So that’s just to give you an idea.

We assumed for this purpose the maximum fee and that it was a single domain name, a single panelist in the UDRP. Although many cases there are more domain names and/or [three] panelists. That should give you an idea of what is happening there.

With that, I will go into the agenda and to our discussion. For each item, as I mentioned, we are in the process of gathering all this data and doing some analysis on how each of these things are working. I’m going to ask Atonietta who’s doing a lot of this work to just real quick

summarize for you what are the topics that we are looking at and that we've accounted for currently. Antonietta?

ANTONIETTA MANGIACOTT: Thank you, Karen. So as was mentioned earlier, we're in the process of conducting an initial analysis and review on rights protection mechanisms by collecting and analyzing several quantitative and qualitative data. Some of the topics we'll be looking at include the trademark verification process, which is the first step towards trademark inclusion in the Clearinghouse, where if the basic requirements are met, the [mark] is eligible for inclusion will receive access to the claims services.

We will also look at the Trademark Clearinghouse guidelines and how effective they were in informing the trademark holder and the trademark agents on the eligibility of requirements for trademark inclusion in the Clearinghouse as well as the Sunrise and claims services.

We will also look at the topic of proof of use, which is a requirement for rights holders to qualify for participation in the Sunrise domain name registration process. We will analyze Sunrise activity data to determine, for instance, how many rights holders opted to take advantage of the Sunrise period.

We will also touch on the topic of misuse of data and privacy concerns from rights holders related to aggregation of marked data through the Clearinghouse. We will also look at the matching rules, which is a service whereby domain names associated with a particular record

generated according to a particular set of rules and how effective this was.

We'll be also looking at the different outreach and communication activities such as webinars, Q&As, events to determine whether enough awareness was generated to achieve the desired informed public understanding of the Clearinghouse and the new gTLD program.

KAREN LENTZ:

Thank you Antonietta. So let's go into the questions. The first piece of this discussion about the Trademark Clearinghouse is really focused around the process of actually submitting marks to the Clearinghouse and having the verified. So most of the questions are geared towards the rights holder perspective.

Some of the questions posed here: what was your experience submitting marks to the Clearinghouse? What were the challenges, if any? Any suggestions for processes or features that you'd like to see implemented?

The last point Antonietta touched on, in developing the Clearinghouse there was some discussion about concerns about the aggregation of a lot of trademark data in one place. So one of the questions we wanted to pose was whether there had been any issues relating to misuse of that data.

Lastly, as we have Vicky here from the Trademark Clearinghouse who fields a lot of the questions from rights holders on the Clearinghouse and how it works and what the purposes are, I'll also ask her to speak in terms of what you heard from rights holders about these processes.

So again I'm going to pose this question to the panel. If you would also like to comment on the Clearinghouse or the verification process, please do come up to the mic. Anybody want to speak to this?

SUSAN PAYNE:

Hi, this is Susan Payne. Just at the outset, I wanted to make it clear that I'm here on behalf of the Intellectual Property Constituency and its members, which obviously represent intellectual property interest. The membership of the IPC is various IP organizations and brand owners and lawyers and so on operating, dealing with intellectual property law.

In answering the first question about the experience in submitting marks, I'd say generally rights holders themselves probably didn't do this themselves. Generally speaking, they would've been dealing through agents or law firms or registrars, so comments from those probably vary. I would say generally the submission process was probably fairly straightforward once the technical stuff was in place. But there were some challenges that various of the IPC members did identify, including things around challenges in validation.

So, for example, things like the data field sometimes had a word limit, so that could be problematic if you had quite a lengthy registration. The TMCH certainly had some difficulties in validating records from some countries. For example, if there was Chinese script, if you had a trademark registration which was an international registration through the [Madrid] system and the individual countries didn't issue a trademark certificate, then some people had difficulties therefore in using those marks if there was any kind of geographical requirement for the registration that they were trying to record.

Also, issues around things like Marks aren't necessarily static. You might have changes of address or changes of details of the owner and the TMCH couldn't always really accommodate that very well. So for example, if you changed the address, even if you've filed and completely updated the trademark office, it would lead to false notifications during the validation process because the TMCH didn't necessarily look to the underlying records or maybe couldn't look to the underlying records. So there were those.

There were also issues around some rights holders, particularly large corporates had some difficulties in actually signing up to the TMCH contract. There were some provisions in there. I can't go into details particularly, but were quite different for some corporates to get internal signoff and that can be quite problematic. Companies don't necessarily like signing contracts that they haven't had any ability to negotiate and where the terms are not ones that they would normally sign up to.

Also, some difficulties around things like fee, payment. The full fee was payable if the application was rejected. So on some kind of difficult proof of use cases, that caused difficulties for some applicants. Yes, a lot of challenges. I don't know if anyone else wants to talk to that first before I say anything Else.

ANTHONY BELTRON:

This is Anthony from 101domain. As a registrar – and we're a Clearinghouse agent as well. We were one of the first ones to sign up for the TMCH. As far as the process for rights holders, it was a completely new concept to a lot of them. We have a lot of corporate clients. We do a lot of consulting type sales and strategy with them, and

many times we're not speaking with the decision makers. So when they have to go back internally, as Susan was saying, the signoff and the green light tends to take quite a bit of time.

So we've found ourselves having to educate the clients quite a bit, finding the correct trademark that they want to use if they're trademarked in multiple countries and changes in address and things like that were also difficult.

The majority of our clients did go directly with us. We did have some go directly to the TMCH. Some of the issues that they've experienced there, funny enough, is trying to download the actual file. We get clients sending multiple formats of the file to us. They're not really clear on what they're doing. So to the extent going forward, if there's an easier way to deliver that file, maybe through e-mail or a download link, things like that, it would make the process easier for a lot of customers.

KAREN LENTZ: Thank you, Anthony. Can I just clarify the file? You mean the SMD file?

ANTHONY BELTRON: The SMD file, correct.

KAREN LENTZ: Okay. So I've heard the aspect of trademark data being dynamic mentioned a few times. The role of the Clearinghouse is to make sure that the data in there has been verified. So it sounds like one area that we could look at is what the processes are for various types of changes



and seeing if those can be streamlined to make sure that the data does stay accurate. Any other comments to these?

VICKY FOLENS:

Vickey Folens from Deloitte. The questions or the topics that are coming up here is a lot of the questions that we receive also not only when we're working with agents but when we're working – or trademark holders coming directly. It's already [magical] that a lot of trademark holders understand what an SMD file is. Because that's one of the number one questions that we have is "What is a Signed Mark Data file? What do we do with it?" Because a lot of trademark holders that are coming to the Trademark Clearinghouse, they are actually a little bit confused as to what actually the purpose of the Clearinghouse, because they actually think when they record their mark with the Clearinghouse that they don't have to register a domain name anymore, or that they're blocking anybody or another domain name applicant from registering their domain name as their trademark that is in the Clearinghouse.

So it's clear that there is a learning curve. It was there in the beginning we saw the learning curve, but unfortunately we still see that there's a lot of learning to be done and we're very thankful that we have the agents that provide and assist in this learning education as well.

KAREN LENTZ:

Thanks, Vicky. I can add to that. A lot of questions actually find their way to ICANN as well and a lot of the same misconceptions. "I thought if I put my mark in the Clearinghouse that I had rights to it everywhere and

nobody else would be able to get it.” There are a lot of permutations to the protection that can be supported by the Clearinghouse and it is a tough educational road.

One thing I was going to mention in the beginning is that, as we talk about reviewing the rights protection mechanisms, these are things that people worked really hard on for a number of years. So our goal in reviewing and looking at them isn’t to scrap things and start over. We spent a lot of time building a Clearinghouse, building Sunrise processes, building URS. So what we’re after is finding ways that we can build on these things. How can they be made more useful? Are there ways that you can adjust some of the elements to address some of the things that we’re seeing in early user experience?

Any comments on additional requests or processes that rights holders would like or that were asked for?

UNIDENTIFIED FEMALE:

A lot of trademark holders actually want to see what trademarks are in the Clearinghouse, so currently we cannot provide any information of what is actually the data in the Clearinghouse. So there are a lot of requests for that.

Secondly, we have received already a lot of requests as well because the Trademark Clearinghouse is limited to the identical match string and the fact that they can’t get protection or can’t get notifications for variations of their string or confusing or string contained. So those are things that we’ve definitely heard the community request to make it possible.

UNIDENTIFIED MALE: One thing that we find that comes up quite a bit is with the actual claims notices that go out. We know they're not identifying when is the actual trademark holder who generated the claim. you had mentioned those numbers earlier on the number of claims sent out. We have clients that asked us to place orders maybe a few months ago as a different department or different person, and all of a sudden multiple people on their end are getting the claims notice. A lot of times it's for names that they've registered themselves. So it sounds off red flags internally and then they have to figure out "Is this us or is this someone else?"

So to the extent that there's that can be identified a little bit easier I think would kind of smooth the process for a lot of the rights holder.

KAREN LENTZ: Okay. Susan?

SUSAN PAYNE: One of the main things we'd I guess like to see is extending the use of the TMCH data to get better value from your registration. So, for example, once you've got your mark in there and it's been validated and has proof of use, could it be used as proof of use in a UDRP as well as a URS? The SMD file should be sufficient to demonstrate that you have mark for Specification 13 if you're a brand registry applicant because it's a verified mark and you've filed proof of use so you shouldn't also have to then submit your trademark certificate, which is completely unnecessary.

We obviously also – there were calls from the outset in the rights protection mechanisms as they were being developed for there to be some element of marks plus generic terms, that kind of thing, that would obviously give greater value and certainly would be very beneficial and some sort of the globally-protected mark [list] type thing, which is probably something we'll be talking about further.

And then on a practical note, one of the IPC members was asking for instructive [inaudible] webinars would be very helpful I think to touch on the fact that for a lot of trademark owners, this is not very [inaudible] what they're doing and why.

KAREN LENTZ:

Great, thank you. Any comments from the floor on this topic? Phil?

PHIL CORWIN:

I just had one question. I apologize if it was covered in the initial presentation. I walked in on the middle of that. I [inaudible] remember we had a bit of a [dust up] within ICANN over the straw man proposal, and then particularly the Trademark-Plus-Fifty which would allow trademark holders to not just register a mark but register up to 50 variations of the mark if it had been recovered either through a UDRP or court action.

I was just wondering what percentage, if any, of the registrations in the Clearinghouse weren't exact trademarks but were confusingly similar marks [inaudible] UDRPs or court actions, if there was use of that Trademark-Plus-Fifty option going on.

SUSAN PAYNE: There's definitely use of that, but it's very, very low.

PHIL CORWIN: Okay, thank you.

KAREN LENTZ: Thank you, Phil.

JEAN-PAUL BECHU: Hi, my name is Jean-Paul Béchu. I'm the CEO and founder of Nameshield. When I created the Nameshield back in 1994 it was on the assumption that trademarks and domain names had to be ruled by the same IP laws. So I was very pleased when the project of TMCH came along. And we put as a registrar big efforts into getting things done the right way, even if we had some difficulties to know exactly what was the goals behind the ones that were in charge of TMCH.

Now after those efforts and investments, we've got to take a look at the figures – [27,000] TMCH back in July 2014. I don't call it to be – it's not a success. I would like to know if you've got any ideas why this concept that was a good idea at the beginning has got so poor results and what is going to be to try to change things around.

[VICKY FOLENS]: In general, it's related to the learning curve of the whole adoption of the new gTLD program.

SUSAN PAYNE:

I suppose I would say also when the rights protection mechanisms were developed, they were a sort of suite of mechanisms, which by the time they came out of the process at the end of a long development were not the same as what had originally been proposed.

So for some rights holders, I think that there's a feeling that TMCH registration doesn't get them very much for their money and they consequently have to constantly do a cost-benefit analysis on which marks they put in the TMCH and what they use them for.

There are also obviously other issues around things like which registries have launched yet. The actual rollout of the registries has been probably a lot slower than everyone else was expecting. Some of the more interesting, if you like, registries from the perspective of brand owners that I'm familiar with probably haven't yet, and so you may well – they'll be an element which there may be more activity in the future and people wouldn't necessarily put their marks in the TMCH initially given that you have to pay a fee and renew.

You may well find that people will be putting additional marks in when they can see that they're going to be getting a value out of them.

KAREN LENTZ:

Thank you, Vicky. Thank you, Susan. I'll add to that in terms of there are some complexities in the process. There is a lot of education that's being done. And it is a new concept and a new service, so I think all of those are factors [inaudible] what Susan mentioned that the program itself, you're seeing TLDs start to launch.

Okay, Rubens and then we'll go into Sunrise periods.

RUBENS KUHL: Rubens, NIC.br. Isn't difference of meeting the number of [inaudible] notice that were displayed in the main transactions that arised out of that. And to your indication that the claims notice database was harvested by people that wanted to know which trademarks are registered to who.

So is it an indication that the system that was designed to prevent trademark [inaudible] harvesting failed?

KAREN LENTZ: So the answer I think is we don't know. We have a couple of things. One, everybody who has access to – is a user of the Clearinghouse has terms and conditions that prescribe what are the uses that—

RUBENS KUHL: That would apply to domain registrants, not [inaudible] to the trademark users. And they would harvest through attempted or [inaudible] of domain registrations. So those terms and conditions wouldn't apply to them.

KAREN LENTZ: Yeah. I understand. Thank you. So just to reiterate, there are those terms and conditions in place, as well as we do continue to get reports of activity and to find out what we can about this versus how it's happening.

RUBENS KUHL: Okay, thank you.

SCOTT HARLAN: Hi, Scott Harlan from Kattan Muchin Rosenman. Is there any update on the abuse label entry and how many are those are going in? Because the last time we checked, you still had to link the registration number to the UDRP decision and that can be challenging sometimes when the panelists don't put the registration number they relied on because you entered in a lot of registrations in your complaints and they don't always put them in the panel decisions, then you'd have to upload your complaints or maybe your complaint with [exhibits] which makes the process very time consuming and burdensome, depending on the client.

Is there any update on that, on those numbers and that process?

VICKY FOLENS: The numbers on the abuse labels or the UDRP cases or court cases that have the abuse or the Plus-Fifty labels I believe were around 140 in total of those cases.

In relation to the verification process itself, this is a new discussion currently.

KAREN LENTZ: Thanks, Vicky. If I could speak to Scott's question a little bit, the proposal for being able to add some limited number of labels into an existing Clearinghouse record was discussed and was implemented

based on an ability to tie that court proceeding or that UDRP decision to that same mark that is in the Clearinghouse that is the same jurisdiction and can be identified as the same mark.

And so what I think you're referencing, Scott, is some certain cases where the decision doesn't actually provide a clear tie to that, and as Vicky noted, that's sort of a challenge with how you can establish that in the absence of that.

I will thank you everybody for your comments there. So just to summarize what I heard about things that could be helpful or to be considered or discussed – a search feature of some sort, services beyond the exact match of the trademark, some means of reducing confusion about the claims, notices by indicating who the initiator of the record was, whether SMD files can be used for other purposes. I think that's what I wrote down.

So let's go on to Sunrise periods. There are a few topics that we're discussing here in our review, so I'll ask Antonietta to run through those quickly. Thanks.

ANTONIETTA MANGIACOTTI: So our report will also review the Sunrise period, which was developed to allow rights holders with an advanced opportunity to register names – corresponding their mark prior to them being made available to the general public.

We will look at Sunrise statistics such as Sunrise registrations, which new gTLDs had the most Sunrise registrations. Our review will also look at the limited registration period which was developed to allow additional flexibilities for registries who may wish to make names

available for registration to particular entities who do not own a trademark in that name prior to being made available to the public.

We will also review the approved launch program where registries would be allowed to conduct a registration process if approved by ICANN, as well as a qualified launch program which allows currently registries who apply to use a limited number of names in connection with the registry launch activities while meeting the RPM requirements.

We will also look at the Sunrise dispute resolution policy, which was developed to allow disputes to Sunrise registrations. And our review will also touch on the topic of reserved names. We received a number of inquiries from registries requesting further clarification on the process of releasing reserved names.

KAREN LENTZ:

Thank you, Antonietta. So I've put a number of questions up here relating to the Sunrise period from a few different angles. So for those rights holders who were or is working with rights holders in helping process domain registrations during Sunrise, what was that experience? What factors were taken into account in deciding among all of the TLDs, which [you're] going to pursue Sunrise registrations?

There are a number of places you can go out there to find out who's launching when and what the rules are. We're interested in what information sources were the most useful in that. From the registry standpoint in terms of operating Sunrise periods, questions to pose are what patterns or results did you observe during the Sunrise period and what the experience of the dispute resolution policy during Sunrise

was? And also expected, registrars fielded a number of questions regarding the Sunrise registration process.

So, interested in any responses to that from the panel or from the floor. Anthony?

ANTHONY BELTRON:

The most difficult things that we've seen for rights holders as far as Sunrise after they get their mark in the Clearinghouse is the whole issue of reserved and name collision names. Some registries are taking applications into Sunrise for name collision names, for example, pending them dropping off the list. A lot of others aren't.

For example, we have a client that has 237 names on collision lists across all the various TLDs. So for them, a lot of these names they of course are interested in, but they really have no guidance and we really have no dates or processes to go over with them at this point and I think a lot of the questions that – what's the rollout going to be on names coming off collision lists and what rights are rights holders going to have to get those names to protect their rights is one of the bigger issues that we're looking at right now.

KAREN LENTZ:

Susan?

SUSAN PAYNE:

Adding on [inaudible] you just mentioned, one of the concerns that the IP community has had about reserved names is that there is the scope for using them to circumvent the Sunrise. There are no limits on the number of names that can be reserved by a registry, and if they reserve

them and keep them reserved for the duration of the Sunrise, they can release them afterwards without putting them through a Sunrise period. So that has been a major concern and is something that we would like to see tightened up.

Related to that is the issue of terms being called premium names. A lot of registries are identifying particular terms which they consider to be premium and then charging high fees for them or higher than the average fee for them.

Now, in some cases, that may seem perfectly reasonable and some sort of generic terms are probably high value, but if the premium is too high, it becomes effectively a means of circumventing the Sunrise. And particularly if it is a trademark term that has been selected to be a premium name, this is definitely the case in some cases.

In fact, some premium name lists are generated by means of looking at things like search terms which are used in conjunction with the term which is covered by the TLD, so it inevitably finds trademark terms and then brand owners are being expected to pay an extortionately high fee to get that name in the Sunrise.

I think I said there's no limit or [gain] on the number of premium names that registries can identify and there's not always clarity on what they've put on their list. Sometimes they're in their Sunrise and they say they haven't decided yet what their premium name list is, but when the trademark owner tries to register the Sunrise term, they're then told that the mark is a premium one.

We're aware of one gTLD for example, that's got 63,000 premium names on it including every three- and four-character word in the Oxford English Dictionary. There is abuse there – potential for abuse.

KAREN LENTZ: Statton?

STATTON HAMMOCK: I finally feel like I can say something now. I'm with Rightside. Rightside is an end-to-end domain name services company, so we're a registry and a registrar. I'll give you a few data points on some of these and answer some of these questions, but I'm only giving you a snapshot data point of what's happening at my registry and that's not to be interpreted as being a trend across all registries. I think it really depends upon which top-level domain name you're launching and that can affect the data around Sunrise, as I'll explain.

One of your questions was: what patterns did you observe during the Sunrise period? Well, we had a relatively quiet Sunrise period. We had 2,359 Sunrise applications for 26 strings we launched, so that's relatively quiet in terms of Sunrise activity. I think you showed, Karen, a data point that said per TLD it was about 118, so we're a bit under 100 Sunrise applications per TLD.

But we did see some spikes in Sunrise applications, depending on which string we had launched. For example, we are the top-level TLD operator for .reviews. So you can imagine if you're a product company that puts out a product, you might want to get your .reviews top-level domain name to protect your trademark in that product in that name space.

So we saw a lot of Sunrise activity for that, a little less so for other TLDs that we had.

I also see a question there about how often was the SDRP used to resolve the disputes. We did not get any SDRP disputes in the 2,300 Sunrise applications. We didn't see a single SDRP dispute.

KAREN LENTZ: Anyone else have a comment or question?

UNIDENTIFIED MALE: [inaudible] from [CORE]. We work for a number community-based TLDs and we're talking about the abuse that was just mentioned by registries who put domain names in the reserved list to get them for themselves [inaudible] premiums. We've seen probably worse in the inverse of use, [inaudible] Trademark Clearinghouse being open to abuse. People registering in the Trademark Clearinghouse a string that is a generic word that just uses a pictorial trademark and there's a string in there and you can put it in, and very much in the very business for which they want it.

So basically [inaudible] says, "My trademark is plumber. I'm a plumber." Of course, that is not supposed to be the purpose of the Trademark Clearinghouse.

We have been lucky up to now not to have too many of them, and I know why. The reason why we had not too many of them is the bad performance of the entire concept of the Trademark Clearinghouse as a whole.

So if we clean up the problems of the Trademark Clearinghouse, make it actually a little bit more effective, maybe less expensive and so on, less difficult, then of course that problem would increase. So we certainly have a good reason to address that, and at least empower the registries to make sure that this is not going to be abused.

KAREN LENTZ:

Thank you, [inaudible]. Can I ask a follow-up question to your comment? You spoke of abuse of the Clearinghouse and it will help to clean things up. Can you maybe a little more concretely, what exactly type of abuse would we...?

UNIDENTIFIED MALE:

The abuse is a result of a systemic weakness in the concept of the Trademark Clearinghouse. The Trademark Clearinghouse only looks at the second-level domain. Now, the second-level domain, depending what we talk about has a different meaning. So if you have a trademark – in this case, it wasn't used [abusive], but it could've been. If it takes a word that everybody knows, [inaudible] [metro]. Now, Metro is a brand. There's nothing wrong with the brand. You have the [right].

But [if it didn't say] I would like to use this to get metro.paris, of course it would not be [inaudible] acceptable, because that brand has nothing to do with the metro of Paris – [maybe they sell newspapers or whatever]. In this case, these people haven't done that, but there would be a danger of that happening.

The other one, I don't know them by heart. Those are cases where products – generic names for products – were used as a brand. For

some reason, it got through in the [inaudible]. I'm not sure. But it went through in the Trademark Clearinghouse as a brand, as it was not a generic term.

So the example that I said, "I'm a plumber and my brand is plumber," that is precisely the thing that is not supposed to be possible on the trademark law.

So we have a situation where the Trademark Clearinghouse is open to use in a way that is inconsistent with trademark law. It actually violates it in that way. I've taken advantage and precisely not supposed to have. According to trademark law, that is actually the same [inaudible] all the countries. If I'm a plumber, I cannot say that my trademark is plumber.

KAREN LENTZ:

Thank you for clarifying. I guess I'll speak a little bit to one of the things you mentioned, although it's kind of around the Clearinghouse guidelines and verification process more than the Sunrise.

That is that there's – one of the really difficult aspects of implementing a global database that accepts marks from every jurisdiction is to establish how to do that, and that was debated at length with a few different permutations of "this is how it could work, this is how it could work, this is how it could work."

Most of the – a lot of the issues that people raise around "why is this in the Clearinghouse or why is that in the Clearinghouse?" kind of go back to how you fit and how you address the very different standards of processes for how trademarks are issued around the world. I think that will continue to be an area of discussion.

I also wanted to mention as well that there is a dispute mechanism with the Clearinghouse. So there is always the opportunity to challenge the inclusion of a mark or the rejection of a mark from the Clearinghouse through the delayed process.

Anything else on Sunrise? Susan?

SUSAN PAYNE:

I was just going to mention a few of the more practical issues that some brand owners have encountered. One in particular is that there has been some difficulty in finding out which registrars are accredited for particular registries in some situations, so that it can then be difficult to get a Sunrise application filed.

One of the suggestions we had was that it would be in fact really helpful if registries would publish lists of their accredited registrars on their website so that they could be located.

A number of people have encountered sort of fairly unhelpful responses back from registrars where they've been trying to get a particular name of just the domain name is not available and it generally isn't make it clear if that's because the registrar isn't actually handling that TLD or if it's a name collision name or if it's a reserved name that the registry has reserved or it's gone.

There could be more clarity from registrars [inaudible] exactly what the problem is if the name isn't available.

We've also had a few issues with when conflicting mark situations occur where two or more trademark owners have perfectly legitimately the

same mark in the Trademark Clearinghouse and are therefore coming up against each other. And auctions are often being used as this allocation method in those kind of conflict situations.

In some situations, with very short notice of the auction being given – even as short as 48 hours, which just is not long enough for people to deal with.

And also it would be very helpful – and I realize that there are difficulties around releasing information about other applicants – but it would in fact be very helpful to try to resolve conflict situations to be able to know who else it is that is seeking to registrar the domain, because you’re forced into an auction situation, when in fact, you might have been able to just negotiate some kind of sensible compromise.

Those are some of the practical things. I should’ve probably mentioned earlier that, for some registries, there’s been incomplete information about their Sunrises. The TLD startup pages is incomplete or has sort of foresaw out-of-date information. I think because things move quite quickly, maybe the Sunrise policy isn’t there or it’s referring to some other document like a registration policy which isn’t there.

Then I suppose you did also ask what factors get taken into account in choosing whether to pursue. I could move on to that one if we move on. It’s the basic kind of cost-benefit analysis, looking at things like the industry relevance of the string, whether there’s any kind of sensitive issues so that if it’s a sort of string that might be associated with the adult industry and you’re a children’s brand, you would probably be looking to do a defensive registration in those kind of situations.

The likelihood of infringement generally and the price, and also whether there's any sort of other block being offered. So the [inaudible], for example, you might well be utilizing that and not actually utilizing a Sunrise registration.

KAREN LENTZ: All right, thank you.

UNIDENTIFIED MALE: Karen, can I say something real quick?

KAREN LENTZ: Sure, of course.

UNIDENTIFIED MALE: Going to Susan's point when a potential registrant is searching for a domain name and it comes back as unavailable, as a registrar and working a lot on the implementation side of things – and with registries, the problem that we find is that it's an extremely difficult thing to implement. Not all registries are created equally. Their policies and definitions of terms are not all the same, and as far as releasing premium lists and reserved lists, there's no policy for when those need to be done except before [GA].

So as a registrar, we could get that the day before. In the meantime, we've lost out and registrants have lost out because they've already been searching for a lot of these names. They're unavailable. They're not going to come back.

My fear is that we have a lot of legitimate consumers out there getting discouraged because, when all the noise is being made before a launch, which a registry typically does, if they're not ready with those things, everything shows as unavailable and you don't typically get that user back for a long time, if at all.

So a little more focus on uniform standards and rolling out the logistics of some of these launches would make that process smoother for everyone.

KAREN LENTZ: Yeah. I think that's a great point. Oh, you want to add something? Yeah.

SUSAN PAYNE: I wanted to make one more point, actually. Most registries are not sort of bad actors, but there have been some examples of genuinely bad actors in the space in terms of trying not to run the Sunrise by practical means of not signing up registrars. And whilst that's obviously a matter for the registrars, it's actually also a matter for the brand owners, because if there's no registrars, then you can't buy Sunrise names and there are some specific registries who have done that.

KAREN LENTZ: Rubens?

RUBENS KUHL: I have a question for every registrar that wishes to comment. I noticed that many registrars opted out of offering Sunrise registrations or

offering [claims] registrations. Is the process difficult or how many registers do you figure out having – are not selling either Sunrise or [claims] registrations?

[ANTHONY BELTRON]:

It's a very difficult thing to implement, and if you look at all the accredited registrars out there, a lot of them are a lot smaller registrars without the bandwidth to implement these things.

If you notice, for example, premium names. You see a lot of registrars are not selling premium names because you have price checks and dynamic pricing that you've got to implement. And I think with the numbers that we've seen in the program overall, a lot of registrars are making the decision not to move forward with that at this point.

KAREN LENTZ:

Thank you. There was quite a range of input there. I heard, in particular, some details of coordination – how do you know which registrars are accredited for this TLD? How do you know what's on the reserve list and on the premium names list? We actually have gotten a number of complaints, too, where the registrar is saying, "This is not available," where it is available. It's just they're not selling names during that particular period. So we've addressed that.

I guess one other point that I wanted to add is that we do want to know when people are identifying what they believe are issues. You mentioned, Susan, that there's registries that aren't signing up registrars or cases like that. We do have a number of issues raised through different channels – through customer service, through

compliance. And this is to everyone. I would encourage you that if you have a concern or issue around a particular element or behavior that you do let us know about that.

Okay. Trademark claims service is what follows the Sunrise period. We're looking at a few things here, and I'll ask Antonietta to talk about this briefly.

ANTONIETTA MANGIACOTTI: Thank you. We're also going to be reviewing the trademark claims, which is another service that's mandated for all new gTLDs and was sort of developed to strengthen trademark protection by providing notices to those rights holders with matching records in the Clearinghouse when someone has registered a domain name matching a mark that is recorded in the Clearinghouse.

We will review how effective it was by looking at statistical claims data, such as number of registrations that occurred during the claims period, number of claim notice generated, which new gTLDs have the most registrations during the claims period.

We will also be looking at the UDRP-Plus-Fifty which is an add-on to the claims service. The intention was to develop [inaudible] protective measure to guard against trademark abuse, as well as the ongoing notification service which is provided by the Clearinghouse to the right's holders to inform them when someone has registered a name that's matching a mark in the Clearinghouse as well as the extended claims service provided by registries for a definite or indefinite amount of time

to inform both the rights holders and the registrant when someone has registered a domain name matching a mark that is in the Clearinghouse.

KAREN LENTZ:

Thank you, Antonietta. So we want to know here how is that trademark claims service working? There are actually two steps to the claims process. One is that a potential registrant gets this notice displayed. So we're interested in what type of perceptions or reactions have there been. And if there's anyone here who's received one of those and wants to comment, please do.

Then, also, once the registration proceeds results in a notification back to the rights holder who has a matching mark in the Clearinghouse. And the goal with that was that they would know right away when that name was registered and could decide if they wanted to take any additional steps. So we're interested in how that notice worked. Could any of these processes be improved and could any of the notices be tweaked? Any input on that? Susan?

SUSAN PAYNE:

From the perspective of the rights holders, I'm sure the registrar can comment on the reaction of receiving the notices. I think generally those who are informed found that it was generally working well in so far as it has some limitations in the process in the sense that you get a notification after the event. But you get a notification and you don't have an opportunity to go on the site, see whether it's being used and take a view on whether you're going to take any further action. So in that sense, it is working fine.

Obviously, from a rights holder perspective, it would be a more useful service if you got some kind of advanced notice prior to the registration, rather than only the opportunity to take retrospective action after the registration has already been made. In so far as it does what it's supposed to, it is working relatively well.

There is a feeling that it would be useful to have a way of capturing historic information that could be retained by the TMCH so that even if it was for just a year or so to go back – you could go back and search and see all the notices against a particular client or a particular mark, which would help with tracking and identifying trends of bad actors.

[ANTHONY BELTRON]:

I think it's early to really make a determination on how effective it's been. I think we're about 2.6 million registrations overall in the new gTLD program, 145 URS filings. I'm not sure how many UDRP have been filed around new gTLDs. It's hard to say whether we have brand holders registering names and we have a lot of people with close ties to the domain name community itself and we haven't gone out to the mass market yet, for the most part.

So I think when that occurs we'll start seeing this be more effective. You know the message is clear and the checkout process that you're purchasing on a registrar website, it's pretty clear on what you're looking at. And judging by the number of disputes, I think at this point it's working fairly well for what it was intended.

KAREN LENTZ:

Thanks. Vicky?

VICKY FOLENS: We receive sometimes questions on the claims service is that trademark holders don't always know what they need to do once they receive this notification. Does that work with agents? Of course the agents assist them, but it might be a good idea indeed to at least give them the option in the notice saying you can go to URS or UDRP or get legal assistance or whatever for whatever purpose. So that's something that might be...

And another thing. I also have received a comment is the fact that you only get the notices for after you record – sorry. You record your mark in the Clearinghouse but the notice is only effective after everything is done and you don't know what happened in the past.

A question that we also receive is would it be possible to actually receive [inaudible] of registered names that happened before I actually entered my mark in the Clearinghouse?

KAREN LENTZ: Thank you. Any other comments on this? Yes?

JODY KOLKER: Jody Kolker. One of the claims that we have is when you try to registrar domain name, you have to accept the claim 48 hours before the registration is done. So it's a rolling 48-hour window that happens.

As you know, most of the registrars will take pre-registrations for domains for general availability. That requires that once we take a pre-registration, we have to have the customer come back and accept that

pre-registration 48 hours beforehand. That's a very tight window, as I've heard the IP community say they only have 48 hours before an auction starts. Well, it's also the same for a registrant.

I'm wondering if there is some way that we can increase that time from 48 hours to a week, to maybe indefinitely if a claim is not put on that [inaudible] from the time that the acceptance is made.

So, for instance, if someone comes in and purchases a domain a month before it's actually registered or can be registered and no additional claim has been made or a claim hasn't been updated, whether that acceptance from a month ago could be used to registrar that domain.

UNIDENTIFIED FEMALE: Hi, [inaudible] from MarkMonitor. This is Lilly. She's here in her personal capacity.

UNIDENTIFIED FEMALE: Excellent.

UNIDENTIFIED FEMALE: I just have a comment on claims notification as it relates to domain names that were registered in a pre-registration period from registrars.

We did notice through a couple of examples with our clients that the claims notifications came from the registrar and were, in some cases, improperly worded.

Then the registrant did not actually receive the claims notification themselves because the domain name was registered on their behalf by

the registrar. So I'm assuming the registrar got the claims notification that was made for the registrant.

So in the future, in next rounds, we want to make sure that the claims notifications are properly worded and that they're delivered to the registrant, because of course, proper notice to these individuals is imperative in enforcement. Thank you.

KAREN LENTZ:

Great, thank you. And I'll reiterate. In relation to the wording of the notice, there is a required notice, so please notify us of instances where that's not happening. [inaudible]?

UNIDENTIFIED MALE:

Yeah. I would like to echo what was just said about the claims window, because it is extremely tight. Actually, if you look at it more closely, it is not that important. Who cares if this was [inaudible] 24 hours before a week before a month before, or possibly even a month after? It's [inaudible] important.

What we learned in the actual use of the Trademark Clearinghouse is that it was much more important for the trademark holder to be informed about it. That was very important.

So in terms of the claims notice, [inaudible] by e-mail to the registrant, because of course they're obliged to have that e-mail. So that's an obligation. If they don't [listen] on that e-mail, that's as good as delivered. That's a bit crazy to say, "No, sorry, I didn't receive it on the

address that I specified as the one on which I'm reachable." So it is useless.

However, what is very useful is that notice. But the [note] is not going to stay unless we do something about the Trademark Clearinghouse, and my view would be that registries should actually continue to send a [feed] to the Trademark Clearinghouse, so that the parties that need to be informed about somebody using their string could actually react. It is really great comfort for them.

KAREN LENTZ:

Thanks, [inaudible]. John Berryhill?

JOHN BERRYHILL:

Following on to what [Corrine] said, there is another gap in those. I mean, if the point of the trademark claims service was to remove a defensive ignorance from the various dispute proceedings is a lot of the initial domain names that are registered as new TLDs launched are registered on a speculative basis, and someone may have gotten a claims notice, says, "Okay, there are the goods and services that I can't use it for, [inaudible] use it for something else." But that name may be transferred very quickly very soon to another registrant, particularly of these are reserved by entities that are then auctioning them off.

So you could have a domain name registered within the first week of the launch where that first registrant gets the trademark claims notice, but there's no obligation of passing that notice along to successive registrants who may get the domain name. So you end up with a lot of people two or three weeks after launch who now have the domain

names and never even saw a trademark claims notice or knew one existed. So that's something to think about looking at registration changes before the expiration of the claims notice period.

KAREN LENTZ: Thanks, John. We have a remote comment or question.

UNIDENTIFIED FEMALE: Yes. There's a comment from the remote from Michael [Flemming]. He said: "It would be a great help to allow a [inaudible] e-mail set up so that we can set up the e-mail that we want the claims notification to go to. In the event of a trademark agent, it is important that while the trademark agent receives the trademark notification and has the responsibility to pass this to the trademark owner to also have a dual claim sent to the trademark owner as well."

KAREN LENTZ: Okay, noted. Thank you.

ANTHONY BELTRON: Can I say one thing?

KAREN LENTZ: Yes. Anthony?

ANTHONY BELTRON: The issue that John had brought up, a lot of the problem is that the agents are the ones responsible for making sure a rights holder gets the

notice. So they've signed their agreements. They know what they're supposed to do. Whether that's happening all the time is really difficult to say. And I think I talked to Vicky a little bit about it – being able to specify an additional e-mail address that notices can be sent to and having the Clearinghouse kind of have a little more control over that process.

KAREN LENTZ: Yes?

[BILL]: [Bill Stoll] [inaudible]. Has anybody had any actual variance where the dispute being settled where really it's obviously – it's early days yet, but where really the arbitrator looks and says, "Oh, you accepted the claim. You're on your [back foot]." In theory, I can see that, but any real experience?

Yeah? Okay. You asked related questions. I thought you might.

UNIDENTIFIED MALE: Well, I've defended three URSs, and in every URS complaint – and if anyone wants some tips on writing URS complaints, one allegation that really doesn't work well is "Oh, and he registered it despite a trademark claims notice." It goes without saying that, had there been a mechanism intended to prevent these registrations, then there would be one. The whole point of the notice is that, yes, there was notice. That's the trademark. Those are the goods or services. And we're using the domain name for some dictionary or generic purpose associated with that term.

So in answer to the question, it is strenuously alleged in just about every URS filing, but isn't a really impressive allegation other than the fact that not only – the people that I was representing, not only do they have the trademark claims notice, but they keep them in a database so that if someone contacts them about the domain name or acquiring it, they can pass that on and say, "Oh, and by the way, there's this trademark claim here, just so you're aware of it."

It's not a very impressive allegation the way it plays out, depending upon the facts.

KAREN LENTZ:

Thank you, John. Yes, and it will be interesting to see if there are any cases where that is a factor.

So we have five minutes left. What I'm going to do is flash through the rest of the questions and ask for feedback on any and all of them.

The last set was about the URS, any experiences using it? Is it quick, inexpensive as intended? Is it appropriately balanced? And what factors might make it more effective? As well as some overall questions about any data points or statistics that you think would be pretty significant to help us assess the impact of these RPMs, and qualitatively what do you consider the most important elements to address in the RPM reviews?

So, a few minutes left. Anyone want to tackle any of those? Susan?

SUSAN PAYNE:

I'll be really quick, and I'll just do the sort of headline response on the URS, which is that most people haven't been using it. A few people have

and they've had reasonably okay experience. The vast majority have not used it and their reasoning behind that is essentially the remedy is inadequate and it's not a good enough value for money.

Even though it's cheaper than UDRP, you don't get the domain name back. And having it simply suspended with the risk that it goes back into the general pool and you go into a cycle of having to do this is just not attractive to anyone.

If it's a name that is causing enough concern that someone wants to spend money and try and get it back, then they're doing a UDRP or legal action or something. They're not generally doing a URS, because just having the name suspended is not of sufficient value.

STATTON HAMMOCK:

An interesting data point, again, from our perspective is we have 95,000 registrations in our new gTLDs. We've had only eleven URS claims as a result and zero UDRPs. So I don't know if that's a counter data point to what you just said, but zero UDRPs, eleven URSs for those registrations we've had.

KAREN LENTZ:

Okay, thanks. Any other comments? Yes, John?

[JOHN BERRYHILL]:

Yeah, I'll just share one practice tip for people that are doing URS complaints, because I saw this come up habitually in the ones that I was defending. Under the first element of the URS, you can either show a trademark registration and show how you use the trademark or you can

provide an SMD from the Trademark Clearinghouse as conclusive proof on that point.

The problem is that if you do that, and remembering that you're only limited to 500 words, the panelists cannot actually decode that SMD. They just say, "Oh, it's there, so this point is proven." But they don't know necessarily even what the goods or services are in the trademark.

So in one of the cases I defended in one – which, the result was correct anyway, but I felt badly for the complainant because one of the arguments I was able to make was: who knows if this domain name is infringing? We don't even know what the goods or services are.

So if you're using the URS and you want to rely on the SMD certificate from the Trademark Clearinghouse, also include a trademark certification and a listing of your goods and services somewhere in that first element because you could just blow the whole case right there.

KAREN LENTZ: I think that's in the SMD, though, too, isn't it?

[JOHN BERRYHILL]: Yeah. But the SMD file goes to the panelist. It's just some dude who doesn't have any way to actually decode the SMD – or some dudette, excuse me.

KAREN LENTZ: All right. So thank you, everybody. I have two things that I wanted to mention before we close and get to the next session. One is for the

couple of people who mentioned a 48-hour window and some issue with that, I'm not the technical person, but I think that may be a little bit of a misunderstanding. So we do have some technical people from IBM up here, so I encourage you to talk to them. Please, you could also contact us through the portal or through customer service and we can maybe clarify that for you.

Second thing is just to thank all of our great panelists for all of their input. Thank you to all of you for your thoughtful comments. You've given us a lot to think about and we will keep working. Thanks a lot!

[applause]

[END OF TRANSCRIPTION]