**Report Card on**

**BC Improvements to Rights Protection Mechanisms for new gTLDs**

29-Nov-2012

 See Fadi’s blog describing meetings and the so-called “Strawman”: ([link](http://blog.icann.org/2012/11/trademark-clearinghouse-update/) to 16-Nov) ([Link](http://blog.icann.org/2012/11/a-follow-up-to-our-trademark-clearinghouse-meetings/) to 26-Nov)

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| Improvements List as of 15-Oct-2012 | Report Card Grade as of 28-Nov |
| 1. Extend Sunrise Launch Period from 30 to 60 days with a standardized process | Grade: B+ Strawman proposal is to add a 30-day advance notice period for each gTLD Sunrise. This “*falls clearly into the realm of implementation*” |
| 1. Extend the TMCH and Claims Notices for an indefinite period; ensure the process is easy to use, secure, and stable | Grade: C Strawman goes from 60 to 90 days as an implementation change. But *“making claims permanent would be a policy change.*”  Strawman also adds a “Claims 2” proposal where TLDs have option to provide “lightweight” notices to registrants for exact matches, for fee paid by TMCH registrants, for 6-12 months. |
| 1. Complete the URS as a low cost alternative and improve its usefulness - if necessary, ICANN could underwrite for initial period. | Grade: incomplete  Work begins on this next week. |
| 1. Implement a mechanism for TM owners to prevent second-level registration of marks (exact matches, plus strings determined to have been abusively registered or used) *across all registries*, upon payment of a reasonable fee, with appropriate safeguards for registrants with a legitimate right. | Grade: F Is not in the Strawman proposal because “*any concept of blocking was removed from Strawman for lack of consensus at 16-Nov meeting in Los Angeles.”*  On 26-Nov, Fadi added, “*But I will put it back in the Strawman doc for purposes of continued discussion*.” (notes from that discussion below)  The BC and IPC circulated proposal for Limited Preventative Registrations (LPR) (see end of this document) |
| 1. Validate contact information for registrants in WHOIS. | Grade: incomplete  Work begins on this next week. |
| 1. All registrars doing new gTLD registrations must adhere to amended RAA for all gTLD registrations they sponsor. | Grade: incomplete  Work begins on this next week. |
| 1. Enforce compliance of all registry commitments for Standard applications. | Grade: incomplete |
| 1. Expand TM claims service to cover at least strings previously found to have been abusively registered or used. | Grade: B- Strawman considers this as implementation item, but Fadi will “*seek guidance from the GNSO Council*” before proceeding.  Proposal: each TMCH registration could add up to 50 variant domains that were abusively registered or used. Additonal annual fee for these variants is in “single digits”. Would trigger TM Claims (but only for limited time as noted above). |

Notes from 26-Nov con call led by Fadi:

Contracts:

TMCH will be an ICANN database.  ICANN will own all IP. IBM is just the "service bureau".

Fadi is having another call this Friday to talk about the IBM contract.

Deloitte is first of many providers of a related service: validation Trademarks for registration.

Deloitte will use a TMCH API that IBM is designing.   It is not created exclusively for Deloitte.

TMCH registration fee will be capped at $150 per registration per year.

Discounts for bulk submission and multi-year pre-payment could bring cost down to $110 per registration per year.

If extra strings are allowed (previously abused), the additional cost would be single digits per string.

IBM will charge a fee to Deloitte for their use of the TMCH API.

IBM will charge R/Rr users fees for setup and fees to query the TMCH.

Strawman: (Fadi described 3 “buckets”)

First "bucket" is sunrise period.   Add a 30-day advance notice.  There's no GNSO policy language on thise length of Sunrise, so this is definitely an Implementation item.

2nd bucket is "Claims 2", extending the period for TM Claim notices.   Strawman is to add 6-12 months of "lightweight" notices to registrants. TM owners would pay for this.  GNSO policy requires us "not to infringe on the legal rights of others".  This is definitely an implementation item IF just an extension of time.  Would not be Implementation if claims were to run permanently.   This adds costs to Rr/Ry, so we must charge fees to TM owners and compensate Rr/Ry.

3rd bucket is TM matching strings for claim notices., to include domains previously abusively registered or used. Not comfortable saying this is implementation.  Fadi will ask GNSO Council for guidance on this one.

ICANN will post this entire Strawman doc for public comment this week.

Fadi stopped there for Q&A.

Eckhaus and Nevett said that "Claims 2" is new policy.  Politely asked Fadi for his written rationale to say this is just implementation.

IPC members asked about the Limited Preventive Registration proposal (#4 from the BC/IPC list, also known as "blocking")

Fadi: any concept of blocking was removed from Strawman for lack of consensus at Thursday meeting in Los Angeles.  But I will put it back in the Strawman doc for purposes of continued discussion.

Sara Deutsch (Verizon): the big priorities for brands were not addressed in the Strawamn.   We aren't excited about having to pay for weak claims notices for an extra few months (Claims 2).

**Limited Preventative Registrations (original #4, priority #1)**

**Initial BC/IPC Consensus Position (original #4, priority #1):** Implement a mechanism for trademark owners to prevent second-level registration of their marks (exact matches, plus character strings previously determined to have been abusively registered or used) across all registries, upon payment of a reasonable fee, with appropriate safeguards for registrants with a legitimate right or interest.

**Implementation proposal:** Limited Preventative Registrations (LPRs) will provide a streamlined form in new gTLDs of domain name registration with limited rights to strings that are exact matches to trademarks that are both eligible for inclusion in the Trademark Clearinghouse and eligible for Sunrise registration in the relevant new gTLD. Under the LPR system, a trademark holder can obtain a 5-year inactive registration, which would not resolve to any active page, but merely to a registry-controlled landing page with a simple legend such as “Domain Registered Pursuant to Limited Preventative Registration.”[[1]](#footnote-1) Legitimate right holders with the same trademark are not pre-emptively excluded from registering any string. The LPR will not go into effect until after the now-mandated Sunrise period.

The LPR mechanism enhances consumer protection by providing a cost-efficient and streamlined method to register second-level domain names that are exact matches to (not variations on) Trademark Clearinghouse-included, Sunrise-eligible trademarks across multiple new gTLD registries. It does not broaden brand owner rights because no brand owner will be able to participate in the LPR system unless it could have registered the domain name in question during Sunrise anyway. This system, facilitated by the Trademark Clearinghouse, will provide a purely defensive alternative to standard Sunrise domain name registrations for trademark owners that do not affirmatively want active/resolving domain names.[[2]](#footnote-2)

By way of example, suppose there is a trademark “BRANDX.” In order to be eligible for LPR, BRANDX would have to also be eligible for inclusion in the Trademark Clearinghouse and for a Sunrise registration. Only the exact second-level domain string of BRANDX (e.g., BRANDX.new) could be protected by LPR. Even likely typos such as BRANDZ could not be registered via LPR. Furthermore, if another entity also owned rights in the trademark BRANDX (such as in another country or for a different good or service), LPR could not be used to prevent a third-party trademark owner with rights in BRANDX from securing a Sunrise registration as long as that third-party trademark owner was eligible to participate in Sunrise with its BRANDX registration. Finally, LPR cannot be used retroactively to take away a domain name regardless of whether that domain name was registered during Sunrise or open registration.

**Eligibility**

1. Entry in TMCH.
2. Meets Sunrise requirements (e.g. use and any registry-specific requirements)

**Scope**

1. Second-level domain name must exactly match eligible trademark.

**Mechanics**

1. Trademark owner pays a fee to the Trademark Clearinghouse for a number of LPRs.[[3]](#footnote-3)
2. When delegation of a new gTLD is announced (and any time after), the trademark owner can designate through the Trademark Clearinghouse that it will use in that new gTLD one of the LPRs for which it has already pre-paid. Sunrise eligibility criteria for domain names in that  new gTLD apply.
3. After the initial Sunrise period ends, if the exactly matching string is still available, the  registry assigns that LPR to the trademark owner that applied for it. To clarify, as between an applicant for a regular (e.g., as set out in the current Guidebook) Sunrise registration and an applicant for an LPR, the applicant for the regular Sunrise registration will become the registrant. 4
4. The Trademark Clearinghouse[[4]](#footnote-4) pays the registry operator, which pays the registrar. The LPR functions as a standard domain name registered to the registry’s name servers.
5. The trademark owner cannot use the LPR domain name for any purpose (e.g., has no control over resolution.)
6. The LPR lasts for 5 years and must be renewed, subject to the same eligibility criteria that would have applied at initial registration.

**Registrant Safeguards**

1. Reverse Domain Name Hijacking exclusion: Second-level strings found to have been the subject of a finding of reverse domain name hijacking cannot be the subject of an LPR by the trademark owner against which the reverse domain name hijacking finding was made. Entities found to have engaged in repeated reverse domain name hijacking will be excluded from using LPR for any second-level string.
2. LPRs are prospective, not retroactive. If a trademark owner designates a new gTLD for an LPR after the initial Sunrise and a third party has already registered the string in question, the third party keeps the domain name and the trademark owner can use the UDRP, URS, or court action if it has a basis to do so. In other words, if the string is already registered to a third party, a trademark owner’s subsequent designation of that string as an LPR does not take the domain name away from the current registrant.

**Fees**

1. A tiered pricing model would be preferred, whereby trademark holders pay for LPRs a reasonable fee that represents cost recovery plus a reasonable rate of return for the relevant registries in which the trademark owner sought the LPR(s).

1. The LPR is analogous to the Sunrise B offered by ICM Registry for .xxx. [↑](#footnote-ref-1)
2. While this suggestion envisions LPR occurring after or as a “second” Sunrise, another alternative could be to

   allow eligible trademark owners to designate whether they are applying for a regular Sunrise registration or an LPR. [↑](#footnote-ref-2)
3. We suggest this fee distribution mechanism for discussion. The more important aspect is that the Trademark Clearinghouse be utilized for LPR designation to gain the necessary efficiencies. [↑](#footnote-ref-3)
4. See note 3 [↑](#footnote-ref-4)