Dear Fadi:

Thank you for your e-mail of 4 December, in which you request the advice of the GNSO Council on TMCH implementation. This letter is the Council’s reply to your request.

While our member constituencies and stakeholder groups will comment at their discretion regarding the content of the strawman model, the Council here addresses the issues identified in your e-mail of 4 December, and as you so invited, others in the strawman:

**Expansion of trademark rights in TLDs**

The Council draws a distinction between the launch of new gTLDs, where policy has been set and agreed to, and a longer-term discussion about amended or additional rights protection mechanisms (RPMs), which would apply to all gTLDs.

The Council believes generally that expansion of trademark rights beyond law is a matter of policy, as it is of impact to the full community. The majority of the Council believes protection policies for new gTLDs are sufficient and need not be revisited. If the community seeks to augment existing RPMs, they are appropriately the subjects of future Council managed policy activity.

Indeed, ICANN Chairman Steve Crocker and other Board members set an expectation in Toronto that new RPM proposals should have the Council’s support to be considered now:

"Three more items. The rights protection in new gTLDs. The Intellectual Property Constituency and business constituency (*sic)* reached consensus on further mechanisms for new gTLD rights protection and agreed to socialize these to the rest of the GNSO and the Board looks forward to receiving input on these suggestions from the GNSO. So that is our plan, so to speak, which is we will continue to listen and wait for this to come up. "

<http://toronto45.icann.org/meetings/toronto2012/transcript-public-forum-18oct12-en.pdf>, at p.12.

The Council has carefully considered and reviewed these proposals and they do not have the support of the Council’s majority.

In addition, in the context of ICANN’s goal to advance competition in the domain name industry, the Council finds that the RPM proposals, or other measures that could impact the launch plans and operation of new gTLDs, would deserve GNSO policy development to ensure applicability to all gTLDs, new and existing. This is consistent with the NTIA’s recent letter to ICANN, which states in part:

“We encourage ICANN to explore additional trademark protections across all TLDs, existing and new, through community dialogues and appropriate policy development processes in the coming year.”

<http://www.icann.org/en/news/correspondence/strickling-to-crocker-04oct12-en.pdf>

Extension of Claims 1

The majority of the Council considers the community’s standing policy agreement for a 60-day Claims 1 period settled.

The Council’s rationale is the Board’s policy determination of the timing of trademark claims as “60 days from launch.” It is important to note here that the presence of both sunrise and trademark claims in the final program already provides extended protection beyond previously agreed policy, as the Council previously voted unanimously to require either sunrise or claims, but not both.

With regard to Claims 1, staff’s determination that a timing extension is appropriate is inconsistent with previous communications. In your 19 September 2012 letter to the US Congress, you wrote (emphasis added):

“For the first round of new gTLDs, ICANN is not in a position to unilaterally require today an extension of the 60-day minimum length of the new trademark claims service. **The 60-day period was reached through a multi-year, extensive process with the ICANN community.**”

 <http://www.icann.org/en/news/correspondence/chehade-to-leahy-et-al-19sep12-en>

The majority of the Council concurs with your message and believes the current 60-day Claims 1 period is agreed-to policy and as such should not be changed.

Claims 2

The Claims 2 proposal is a longer-term RPM with potentially significant impacts and would be subject to a PDP, in order to explore the complex issues therein. This advice is based on the following:

1. Claims 2 is a new RPM, not implementation of an agreed-to RPM. It is fundamentally different from the 60- (or the proposed 90-) day claims service.
2. Beyond this important distinction, there are many unanswered questions about a Clams 2 process. Are potential registrants, legitimately entitled to non-infringing registrations, unfairly disenfranchised? How would payments be made and allocated? How do registries and registrars adapt their technical systems to accept the many more commands received over nine to ten additional months? Is the burden as currently proposed (registries and registrars assume the cost and risk to build these systems with no predictable method of cost recovery) fair to all parties? What should the claims notice say? (In this regard, the Council respectfully points out that Claims 2 should not be characterized as “more lightweight.”) The purpose of the GNSO Council is to collaboratively answer these types of questions before recommending policy.

Scope of Trademark Claims

The Council’s majority believes your determination, as documented in your updated blog posting, that an expansion of trademark claim scope (beyond exact match) is a matter of policy, is correct. It is further consistent with the following section of your letter to Congress:

“It is important to note that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or creator of new rights. Extending the protections offered through the Trademark Clearinghouse to any form of name would potentially expand rights beyond those granted under trademark law and put the Clearinghouse in the role of making determination as to the scope of particular rights. The principle that rights protections ‘should protect the existing rights of trademark owners, but neither expand those rights nor create additional rights by trademark law’ was key to work of the Implementation Recommendation Team…”

Consistent with this, the Limited Preventative Registration (LPR) proposal, or any other blocking mechanism, also represents a change in policy and should be a matter of Council policy business if it is to be considered.

Staff activity and input

The Council appreciates your determination to focus on implementation; the Council expects however that implementation will be of agreed-to issues, and not new proposals which have not been subject to adequate community review and input.