**Circulated 5/17/2019 (for the first time, I believe, byAriel)**

**QUESTION 4**

Is the exact match requirement for Trademark Claims serving the intended purposes of the Trademark Claims RPM? In conducting this analysis, recall that IDNs and Latin-based words with accents and umlauts are currently not serviced or recognized by many registries.

(a) What is the evidence of harm under the existing system?

(b) Should the matching criteria for Notices be expanded?

(i) Should the marks in the TMCH be the basis for an expansion of matches for the purpose of providing a broader range of claims notices?

(ii) What results (including unintended consequences) might each suggested form of expansion of matching criteria have?

(iii) What balance should be adhered to in striving to deter bad-faith registrations but not good-faith domain name applications?

(iv) What is the resulting list of non-exact match criteria recommended by the WG, if any?

(c) What is the feasibility of implementation for each form of expanded matches?

(d) If an expansion of matches solution were to be implemented:

(i) Should the existing TM Claims Notice be amended? If so, how?

(ii) Should the Claim period differ for exact matches versus non-exact matches?

**Proposed Answers & Preliminary Recommendations:**

**Q4**

**Answer:** The Sub Team has differing opinions on whether the exact match requirement is serving the intended purposes of the Trademark Claims RPM.

**Q4(a)** What is the evidence of harm under the existing system?

**Answer:** The Sub Team has differing opinions on whether there is evidence of harm under the existing system of exact match.

Some Sub Team members believe that the existing system does not have a clear deterrence effect against registrations of confusingly similar matches, including typosquat variants and “exact trademark plus word” domain name applications. They believe that this system harms trademark owners’ ability to protect their trademarks in a cost-effective manner and increases their curative mechanisms burden after the harm has already taken place (especially the harm from cybersquatters). They also believe it harms the prospective registrants who may be unaware that some non-exact matches can be “actionable” under trademark laws or dispute resolution mechanisms for trademark

infringement.

Other Sub Team members noted that none of the Subteam members in the paragraph above identified specific data that showed harm. Further, they pointed out that the exact match requirement for Trademark Claims already harms registrants by potentially discouraging their registration of trademarked words that may also have non-trademark uses and be an otherwise legal usage.

Some Sub Team members noted that a) there is no proof of a specific pattern of correctable harm in the data and b) the URS is expressly designed to rapidly correct a wide range of activities involving registration of variants of trademarks which are a violation of ICANN’s rules. There are no data about whether rates of cybersquatting on exact and non-exact matches differ in the new gTLDs compared to that in legacy gTLDs where there is no Notice for exact matches. Further, while no data shows a clear pattern of abusive variant registration. These members argue that to extend the protection of TM Claims Notices beyond exact matches would a) extend trademarks beyond their existing legal limits, b) create confusion for registrants and trademark owners alike should the trademark be a part of another word, e.g., THEater generating a confusing TM Claims Notice for registrants and a NORN to the trademark owner. Some Sub Team members note the oft-repeated discussion in the subteam that the 2009 rules were part of a careful balance – and that the exact match was a clear and express part of that balance.

**Q4(b)** Should the matching criteria for Notices be expanded?

**Answer:** The Sub Team has differing opinions on whether the matching criteria for the Claims Notice should be expanded. Some members feel the additional effort could result in significant cost reductions to brand owners, while others believe the cost simply gets re-allocated to contracted parties and registrants. The WG has consistently been mindful of the balance the IRT tried to strike and the trade-offs that were made at that time so for this question we note the primary arguments for and against and request community input on them, particularly on the concept of balancing costs and benefits to various parties of making changes versus maintaining the status quo.

Pros:

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| --- | --- |
| Pros:  | Cons: |
| Helps registrants understand that TM law actually is broader than exact matches and includes likelihood of confusion (swapping letters or adding descriptors may not negate confusion if the intent is to trade off the goodwill of the mark) | It’s hard to communicate all the nuance of TM law in a single, readable, understandable notice presented to the customer at the point of sale for a $10-25 transaction. This proposal adds to that complexity.Registrants are unlikely to actually have increased understanding. |
| May reduce cybersquatting | May stifle legitimate expression |
| It can reduce curative costs to TM owners if it lets registrants make more informed choices. | It can increase costs to registry operators and registrars through increased customer service inquiries and even potentially missed sales. |
| Could be automated or rely on TMCH functionality. | Would the cost of developing a system to parse strings or validate brandowner-submitted strings be offset in savings to brand owners? Would such a system be implementable without catching “false positives”? |
| Example: TM+50 feature of the TMCH allows a brandowner to submit up to 50 labels that had already been adjudicated as abusive by a UDRP panel. This proposal expands on that idea. | Example: How do we prevent registered TM for “THE”generating a claims notice for potential domain name “THEater.[tld]”  |

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**Recommendation (Staff Note): As of 14 May, the Trademark Claims Sub Team has not yet developed a preliminary recommendation, but has discussed some related issues.**

**1) The Sub Team acknowledged the usefulness of the Abused Domain Name Labels service (“50 Plus”), which allows rights holders to register up to 50 abused labels related to a registered trademark in the TMCH. However, 50 Plus is limited to abused labels that have already been adjudicated, and those labels will unlikely be reregistered.**

**3) Some Sub Team members discussed the Ongoing Notification service provided by the TMCH. It will notify the trademark owner, following the 90 day Trademark Claims Period, when someone has activated a domain name in a new gTLD that contains the exact match or additional variation labels of the registered trademark in the TMCH.**

**4)** Some Sub Team members note the oft-repeated discussion in the Sub Team that the 2009 rules were part of a careful balance – and that the exact match was a clear and express part of that balance. They note that in survey responses Registries, Registrars and Registrants have opposed the expansion of the TM Claims notice match.

**Q4(b)(i)** *Should the marks in the TMCH be the basis for an expansion of matches for the purpose of providing a broader range of claims notices?*

Proposed Answer: While there is no consensus that the matching criteria should be expanded,most members generally assume that the TMCH would be the likely implementation for any expansion because contracted parties are already integrated with, and querying, the TMCH for claims notices today, though we have no idea of how it would technically work. We invite community comments on:

1. Feasibility (including technical pros and cons) of using the TMCH
2. Alternatives to the TMCH

**Q4(b)(ii)** What results (including unintended consequences) might each suggested form of expansion of matching criteria have?

**Answer:** Because the WG is deeply divided on this, we summarized the potential positive and negative results in Q4(b), above. We invite community members to further explicitly list results and consequences that we haven’t yet identified here. Ideally, community members should quantify their opinions with data.

Some Sub Team members believe that expansion of matching criteria, in general, might help trademark owners better protect their trademarks in a cost-effective manner. Otherwise, some Sub Team members say that trademark owners will be forced to “engage in curative mechanisms for the variants that skirt the exact-match notice rules”; other Subteam members note that there is very little if any data on this topic in New gTLDs, and no data analysis that attempts to identify types of potential expansion and correlates that with numbers of actual cybersquatting instances. Other Sub Team members further note that expansion would increase false positives, to the detriment of both domain name applicants and trademark owners forced to sort the wheat from the chaff.

In a previous study, the Analysis Group had concluded that the unintended consequences may include an increase of the implementation costs for registries and registrars. This conclusion was based on extensive research of UDRP and interviews by this professional research group, but some Sub Team members are concerned that it was not based on any cost-benefit analysis. One Sub Team member commented that the expanded matching criteria still cannot usefully capture the “bewildering variety” of non-exact matches.

**Q4(b)(iii)** What balance should be adhered to in striving to deter bad-faith registrations but not good-faith domain name applications?

**Answer:** The balance is between generating a comprehensive non-exact match criteria that covers as many applicable scenarios as possible *and* avoiding a potential overflow of false positives due to “bad matches”.

Prospective registrants should be appropriately notified by a well-crafted Claims Notice regarding a potential problem with their chosen domain names. There is consensus that the current Claims Notice does not fulfill this requirement for exact matches. There is no consensus on whether or how the Claims Notice could adequately explain an expanded match. Some members of the Sub Team argue that the current process should not be expanded until there is reason to believe that it is effective as to exact matches, because if it doesn’t work now then expansion is even more likely to be unjustified.

**Q4(b)(iv)** What is the resulting list of non-exact match criteria recommended by the WG, if any?

**Answer:** The Sub Team has not approved the concept much less developed a proposed list of non-exact match criteria, if the matching criteria for the Claims Notice were to be expanded. Some community members believe simply coming up with an agreed set of criteria would be nearly impossible. However, for completeness, we note the following criteria that have been suggested to date (noting that we also have no solution for how the expanded matches are validated).

The expansion of match criteria, if any, should not be limitless and should be narrowly based on real work experience with infringement, as well as technical implementability by the TMCH. They include:

● term indicating the product/service related to the business of the trademark owner;

● business descriptor indicating the type of an entity (e.g., INC, CO, CROP, LLC, GMBH, SARL);

● industry keyword related to the trademark;

● accent and umlaut.

QUESTIONS FOR THE COMMUNITY:

Above we asked you if we should expand the match (which is still a very open question). Here, assume we have a consensus to proceed with expansion (please keep arguments for why we should or should not expand matches to Q4(b)).

1. What do you think of the list above?
2. Is it complete?
3. Is it well-enough defined to be validate-able?
4. Is it too narrow? Too broad?
5. What practical or technical concerns or suggestions do you have?

No data have been developed indicating how many instances, either absolutely or as a percentage, of cybersquatting would have been covered by any of these expanded matches.

Concerns were raised by other Subteam members that these ideas – which are not “recommendations of the Subteam” – do not reflect a) the data found, b) any pattern of registration problems in New gTLDs, or rights protected under trademark law – especially the first three bullet points above.

**[possibly a comment, but does not belong in Recommendation section] Other Sub Team members commented that the URS is underutilized due to the limitations of the remedy, hence it is not an appropriate basis upon which to discern the “pattern” of problematic new gTLD registrations. Other Sub Team members noted that the process is supposed to be evidence-based, and the burden of providing evidence is on those who would propose an expansion.**

**3) One Sub Team member suggested that the Claims Notice be issued for a domain name where the string contains the exact match of the trademark registered in the TMCH. This idea did not receive wide support from the Sub Team.**

**4) One Sub Team member suggested that the “ Proposal for Smarter Non-Exact Matches ” submitted during the TMCH discussion in 2017 should be reconsidered. The Sub Team has not yet discussed this proposal.**

**Q4(c)** What is the feasibility of implementation for each form of expanded matches?

**Answer:** The Sub Team team has differing opinions on the advisability much less the feasibility of implementing expanded matches.

Some Sub Team members believe it is feasible due to the existence of the 50 Plus service. One Sub Team member explained that the 50 Plus service is still technically based on exact match.

Some Sub Team members believe that the feasibility is low due to the difficulty of amending the Trademark Claims Notice in order to effectively explain the issue of non-exact matches to prospective registrants. They believe that there is a likelihood that the Claims Notice may become even more intimidating, hard to understand, or otherwise inadequate. Furthermore, these Sub Team members believe it is difficult to strike a balance between generating a comprehensive non-exact match criteria that covers many applicable scenarios and avoiding a potential overflow of false positives due to “bad matches”.

We have asked for specific feedback that includes this question in Q4(b)(iv) and we invite your feasibility comments there if you prefer.

**Q4(d)(i)** If an expansion of matches solution were to be implemented:

(i) Should the existing TM Claims Notice be amended? If so, how?

**Answer:** If an expansion of matches solution were to be implemented, the existing Trademark Claims Notice should be amended.

The Sub Team was unsure what additional Implementation Guidance should be included besides those outlined in the Sub Team’s recommendations for Question 3 with regard to revising the language of the Claims Notice (above).

It was also unclear from the Sub Team discussion who should receive the notification of the non-exact match. One Sub Team member noted that a “broader” notice, which refers to both the Claims Notice to the prospective registrants and the NORN to trademark owners, should be provided to appropriately notify all affected parties of a non-exact match.

**Q4(d)(ii)** (ii) Should the Claim period differ for exact matches versus non-exact matches?

**Answer: TBD**

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**Sub Team Discussions:**

2 May 2019 , 8 May 2019 , WG Mailing List ( 8 May 2019 )

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