

PROPOSAL FOR QUESTION 7 REGARDING “DESIGN MARKS”

A. Introduction.

1. The GNSO Council recommendations (based on the STI Final Report) stating that the types of marks to be accepted by the Trademark Clearinghouse are as follows:

“4.1 National or Multinational Registered Marks The TC Database should be required to include nationally or multinationally registered “text mark” trademarks, from all jurisdictions, (including countries where there is no substantive review). (The trademarks to be included in the TC are text marks because “design marks” provide protection for letters and words only within the context of their design or logo and the STI was under a mandate not to expand existing trademark rights.)” <https://gnsso.icann.org/en/issues/sti/sti-wt-recommendations-11dec09-en.pdf>

2. The ICANN Board “supported the substantive content” of the STI recommendations and tasked ICANN staff with analyzing public comments and developing a final version of the Clearinghouse proposal for the Applicant Guidebook:

“ Whereas, subject to any amendments in response to public comment, the Board supports the **substantive content** of the Clearinghouse and URS proposals that were posted on 15 February 2010 for public comment and expects that they will be included in version 4 of the Draft Applicant Guidebook.

Resolved (2010.03.12.19), **ICANN staff shall analyze public comments** on the Clearinghouse proposal **and develop a final version** to be included in version 4 of the Draft Applicant Guidebook.“ <https://www.icann.org/resources/board-material/resolutions-2010-03-12-en#6> (emphasis added)

3. The Applicant Guidebook adopted the following formulation:

“3.2 Standards for inclusion in the Clearinghouse

3.2.1 Nationally or regionally registered word marks from all jurisdictions”
<https://newgtlds.icann.org/en/applicants/agb/trademark-clearinghouse-04jun12-en.pdf> .

4. The Trademark Clearinghouse Guidelines adopted the following approach in Section 4.2.1 of the Trademark Clearinghouse Guidelines (the “Guidelines”):

“1. For a Trademark exclusively consisting of letters, words, numerals and/or special characters:

The recorded name of the mark is an identical match to the reported name as long as all characters are included in the Trademark Record provided to the Clearinghouse, and in the same order in which they appear on the Trademark certificate.

In the event that there is any doubt about the order in which they appear, the description provided by the trademark office will prevail. In the event no description is provided, such Trademarks will be allocated to a Deloitte internal team with thorough knowledge of both national and regional trademark law who will conduct independent research on how the Trademark is used, e.g., check website, or alternatively request that the Trademark Holder provide additional documentary evidence on how the Trademark is used.

2. For a Marks that does not exclusively consist of letters, words, numerals, special characters.

The recorded name of the Trademark is an identical match to the reported name as long as the name of the Trademark includes letters, words, numerals, keyboard signs, and punctuation marks (“Characters”) that are:

- predominant; and
- clearly separable or distinguishable from the device element; and
- all predominant characters are included in the Trademark Record submitted to the Clearinghouse in the same order they appear in the mark.

In the event that there is any doubt about the order in which the characters appear, the description provided by the Trademark office will prevail. In the event no description is provided, such Trademarks will be allocated to a Deloitte internal team of specialists with thorough knowledge of both national and regional trademark law who will conduct independent research on how the Trademark is used, e.g. check website, or they may request that the Trademark Holder or Trademark Agent provide additional documentary evidence on how the Trademark is used.”

5. Following 4.2.1(1) (“a Trademark exclusively consisting of letters, words, numerals and/or special characters”) Deloitte provided an example with two registrations of the mark DEALSAFE (see Guidelines, p. 19), with the legend “Based on the above trademark, the recorded name of the mark is DealSafe. In no event would the Clearinghouse accept “DEAL”, “SAFE” or “SafeDeal” based on the reported name of the trademark.” Notably, the EU registration identifies the “Type of Mark” as “Figurative,” while the U.S. registration identifies the “Mark Drawing Code” as “(6) Words, Letters, and/or Numbers in Stylized Form.” In other words, the example of “a Trademark exclusively consisting of letters, words, numerals and/or special characters” is a figurative or stylized mark, not a “text” or “standard form” mark.

6. There are a variety of different types of marks, but as Deloitte notes “there is no unilateral international definition of different types of trademarks.” (Follow Up Questions For Deloitte From The GNSO’s Review Of All Rights Protection Mechanisms (RPM) Review Policy Development Process Working Group, Updated 5 March 2017, Para. 6 (responding to the question “How many such “device” or “image” marks have been submitted and validated?”)) Nonetheless, one can consider the types of marks along a spectrum, with the following non-exhaustive examples:

1. exclusively consisting of letters, words, numerals and/or special characters, with no claim as to font or color
2. exclusively consisting of letters, words, numerals and/or special characters but using a particular font
3. exclusively consisting of letters, words, numerals and/or special characters but stylized in some manner beyond simply using a stock font)
4. exclusively consisting of letters, words, numerals and/or special characters and claiming color(s) and a font or stylization
5. exclusively consisting of letters, words, numerals and/or special characters but with non-textual details (e.g., adidas's use of a trefoil to dot the "i")
6. text with a design element, and the text is predominant and clearly separable or distinguishable from the device element
7. text with a design element, and the text is predominant but is not clearly separable or distinguishable from the device element
8. text with a design element, and the text is not predominant although it is clearly separable or distinguishable from the device element
9. text with a design element, and the text is neither predominant nor clearly separable or distinguishable from the device element
10. a design that does not contain any text element
11. three-dimensional marks
12. sound marks
13. color marks
14. other non-traditional marks

Under current TMCH practice, examples 1 through 6 would be registrable in the TMCH, while examples 7 through 14 would not be registrable. However, examples 1-9 are all word marks, at least in part.

Example 1 may be referred to under U.S. law and practice as "standard form" marks, while 2-5 may be referred to as "stylized" marks, while examples 6-10 may be referred to as "design marks." Under E.U. law and practice, example 1 may be referred to as a "text" mark, while examples 2-9 may be referred to as "figurative + text" and example 10 as "figurative." However, as may be seen from the example on page 19 of the Guidelines, the E.U. does not appear to be consistent – the word DEALSAFE in a stock font is referred to as a "figurative" mark.

7. Certain national trademark laws (e.g., the United States, see 15 U.S.C. Section 1056 ("The Director may require the applicant to disclaim an unregistrable component of a mark otherwise registrable. An applicant may voluntarily disclaim a component of a mark sought to be registered.")) and multinational treaties (e.g., the Madrid Protocol, Rule (9)(4)(b)(v)) include or recognize the use of disclaimer requirements. Disclaimers may be used to disclaim certain words in any mark containing text, whether it is a "standard character" text-only mark (example 1), a stylized mark, or a mark with words and a design element. The significance of disclaimers under U.S. law is explained as follows in the *Trademark Manual of Examining Procedure* 1213:

The significance of a disclaimer is conveyed in the following statement:

As used in trade mark registrations, a disclaimer of a component of a composite mark amounts merely to a statement that, in so far as that particular registration is concerned, **no rights are being asserted in the disclaimed component standing alone**, but rights are asserted in the composite; and the particular registration represents only such rights as flow from the use of the composite mark.

Sprague Electric Co. v. Erie Resistor Corp., 101 USPQ 486, 486-87 (Comm'r Pats. 1954).

A disclaimer may be limited to pertain to only certain classes, or to only certain goods or services.

<https://tmep.uspto.gov/RDMS/TMEP/current#/current/TMEP-1200d1e11717.html> (emphasis added). The essence is that the disclaimer indicates that the registrant is not claiming any rights in the disclaimed component “only within the context of” the composite mark.

8. The situation that the RPM Working Group seeks to address is the inclusion of certain “design marks” in the Trademark Clearinghouse where the underlying trademark registration provides “protection for letters and words only within the context of their design or logo” (i.e., where the registrant would otherwise not be permitted to own trademark rights in that term, but for the inclusion in the mark of non-text elements.) As can be seen above, this is consistent with the description of a disclaimed term. However, it is not consistent with the extent of protection under most (if not all) trademark legal regimes for the letters or words in a mark where the words are not disclaimed, including a stylized or design mark. Stylized marks do not include a “design or logo” so are clearly protected beyond the context of a design or logo, while even marks that consist of text are protected *beyond* “the context of their design or logo.”

9. As such, the TMCH is currently both under- and over-inclusive. Marks where all text is disclaimed may be registered in the TMCH. On the other hand, marks consisting of words and designs where the words do not predominate and/or the words are not clearly separable or distinguishable are not registrable in the TMCH even though the words in the mark are not disclaimed and thus protected beyond the context of a design or logo.

10. The TMCH should not expand existing trademark rights, but neither should it fail to recognize existing trademark rights.

11. The Trademark Clearinghouse has a Dispute Resolution Procedure that allows an aggrieved Third Party to challenge a decision of the Verification Provider that a Trademark Record was valid on the grounds that the Trademark Record has been incorrectly verified (more specifically: (i) The Trademark Record is not in full force and effect; (ii) The Trademark Holder specified in the Trademark Record is not the holder of the underlying trademark; or (iii) The Trademark Record does not meet the eligibility requirements for inclusion in the Clearinghouse). In addition, a Third Party may challenge the validity of Trademark Record based upon the existence of new information (i.e., information not available to the Verification Provider at the time it reviewed the Trademark Record).

12. An aggrieved Third Party may also challenge the underlying national or regional trademark registration.

13. Noting that trademark offices may differ in their approach to defining and examining the protectable text elements for a mark which includes non-text elements, ICANN and its agents (such as the Trademark Clearinghouse and its Verification Provider) should not be in a position to re-assess or reject the validity of a trademark registration granted by a national or regional office.

B. Recommendations.

1. The Working Group recommends that the Trademark Clearinghouse Guidelines be revised as follows:

An Applicant to the Trademark Clearinghouse must include in its application a sworn statement that the trademark registration does not include a disclaimer as to any portion of the mark, or if it does, the text portion of the mark is not disclaimed in its entirety. Where the text portion of a mark is disclaimed in its entirety, the mark is not eligible for registration in the Clearinghouse.

For marks that are Text Marks that do not exclusively consist of letters, words, numerals, special characters, the recorded name of the Trademark will be deemed to be an identical match to the reported name as long as the name of the Trademark includes letters, words, numerals, signs, keyboard signs, and punctuation marks (“Characters”) and all Characters are included in the Trademark Record submitted to the Clearinghouse in the same order they appear in the mark.

In the event that there is any doubt about the order in which the Characters appear, the description provided by the Trademark office will prevail. In the event no description is provided, such Trademarks will be allocated to a Deloitte internal team of specialists with thorough knowledge of both national and regional trademark law who will conduct independent research on how the Trademark is used, e.g. check website, or they may request that the Trademark Holder or Trademark Agent provide additional documentary evidence on how the Trademark is used.

2. The Working Group recommends that the Trademark Clearinghouse Guidelines be revised as follows:

The Trademark Clearinghouse should not accept for inclusion marks where all textual elements are disclaimed and as such are only protectable as part of the entire composite mark including its non-textual elements.

3. The Working Group recommends that a new grounds to the challenge procedure be added to assess whether the underlying trademark registration was obtained in bad faith as a pretext solely to obtain a Sunrise registration.

In preparing the grounds for such challenges, guidance may be drawn from the pre-delegation Legal Rights Objection consideration factors: <http://www.wipo.int/amc/en/domains/lro/faq/#3a>

and the judgement of the European Court of Justice in Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?isOldUri=true&uri=CELEX:62008CJ0569>.

C. Additional Work Tracks.

Finally, despite not being fully convinced that gaming of Sunrise (i.e., the registration of trademarks as a pretext to obtain a TMCH registration and thereby the ability to acquire registrations in Sunrise) is really a problem of such magnitude that we need to make any changes at all, the RPM Working Group should consider the following issues which are more appropriately dealt the work track for Sunrise Processes rather than with the TMCH itself:

- Making proof of use requirements for purposes of Sunrise eligibility more rigorous to try and further limit the possibility of “gaming.”
- Requiring that all Sunrise Dispute Resolution Policies contain a provision that subject to any Sunrise or premium fees imposed by the registry on the initial Sunrise registrant a successful complainant that challenges a Sunrise domain name registration is awarded either a cancellation and right of first refusal to register the domain name itself, or a transfer of the domain name that was challenged.

For the avoidance of doubt, “gaming” does not refer to the good faith registration in the TMCH of bona fide trademark registrations containing undisclaimed text elements, regardless of the nature of those text elements. Gaming also does not refer to the use of TMCH registrations to register domain names in Sunrise, regardless of the nature of the new gTLD in which the registration is acquired.