

## Minority Statement

TMCH Recommendation #1 fails to satisfactorily define “Word Marks,”<sup>1</sup> thereby enabling the continued misapprehension of the scope and applicability of the TMCH by the TMCH Validation Provider. The absence of a satisfactory definition of “Word Mark” will likely contribute to the continuation of the erroneous TMCH Validation Provider practices, which violate the fundamental promise that the TMCH would not expand rights but would rather only recognize existing rights. The problem is compounded by the unwarranted lack of transparency of the TMCH database.

### I. Inclusion of Text-Plus Marks Unwarrantedly Expands Trademark Rights

Deloitte’s current practices for review and extraction of words from design marks conflict with the policies developed for the TMCH and their underlying rationales (which do not contemplate these judgment calls by the TMCH Validation Provider).

Around the world, trademark systems distinguish between word marks—marks that consist solely of text—and other marks, including pure design marks and design + text marks, albeit under varying names. A valid word mark is protected no matter what typeface or stylization it uses and regardless of whether there are accompanying logos or other matter. By contrast, when a mark is registered as a design + text or otherwise stylized mark, the registration covers the specific visual presentation of the mark. Sometimes registrants choose this option because the stylization adds distinctiveness to an otherwise generic or descriptive term, or to avoid conflict with another mark that uses similar text but in a different presentation.

A national registration, as usually required for entry into the TMCH, confers presumptive rights on that which is registered, not parts of that which is registered.<sup>2</sup> When a design + text mark is registered, it is *possible* that the claimant has trademark rights in the text alone, but determining that would require additional factfinding in each instance. What is clear from the registration of a mixed mark on its face is only that the claimant has been granted rights in the specific combination of elements registered. To put the text alone in the TMCH, then, expands the registered right beyond its boundaries.

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<sup>1</sup> The recommendation uses a circular definition, stating that “word marks” “includes service marks, collective marks, certification marks, and word marks protected by statute or treaty.” TMCH Recommendation #1.

<sup>2</sup> The lack of transparency in the database has made it difficult to evaluate the scope of the problem. It does not appear that marks recognized by court decision form any noticeable part of the current TMCH entrants, and we are not aware of any IGO names recognized by treaty or statute that are not word marks. For example, U.S. statutes specifically protect the Olympic and Red Cross word marks, and grant separate protection to related symbols. The TMCH Validation Provider has explained that it uses the same standard for all: can text be extracted from the full mark presented to it? If text can be extracted from the remainder of the mark, the text will be entered into the TMCH.

But that is exactly what the TMCH Validation Provider has done. It extracts any text strings from design marks, composite marks, figurative marks, stylized marks, mixed marks, and any similar combination of characters and design (collectively “design marks”). See Appendix (showing marks whose text the current provider, Deloitte, confirmed it would put into the TMCH based on the WG’s Follow Up Questions of 4 March 2017).

The standard for entry into the TMCH has always been articulated as requiring a registration or a court judgment identifying the claimed mark as protected. But that requires actual attention to what the registration or court judgment says is protected. The TMCH Validation Provider should not make extrapolations about what *might* be protected. By adopting a standard looking for whatever text can be extracted from a mark, Deloitte is not asking whether a registration for a word mark exists; it is wrongly asking whether text can be extracted from a registration that exists, without any confirmation that the claimant has any valid trademark rights in the extracted matter. Deloitte is, in essence, creating new rights out of whole cloth. (And, as the CARS and MUSIC examples in the Appendix show, see *infra* p.6, its practices require it to create those new rights by interpreting which parts of the mark it should extract, contrary to the policy of requiring a national registry or court to confirm the existence of a mark.)

The Working Group did not reach consensus on this issue, and its in action, and adoption of a specific definition of “word marks” in TMCH Recommendation #1, may be interpreted as embracing or endorsing current practice. We could not disagree more with this contradiction of fundamental trademark law principles and the adoption of TMCH Validation provider practices never created and approved.

Specifically and consistent with the original rules for the TMCH approved by the GNSO and Board:

The TMCH Validation Provider (currently Deloitte) should accept only text marks. To assist the TMCH Validation Provider, TMCH applicants should be required to show that their marks are text marks, either by reference to a national classification system or to other competent evidence (such as that their marks are registered in a font that is standard for the relevant registry).

## II. Transparency

Decisions by this working group not to pursue greater transparency in the TMCH make it impossible to determine the scale on which these and other practices are taking place. Some argue for the importance of protecting “commercial secrets” contained in the TMCH. This is despite the fact that trademarks are by definition public and, as demonstrated by working group members, a dedicated researcher with a few hours on their hands can already find comprehensive information for which marks any particular brandholder has chosen to register in the TMCH.

ICANN should provide for greater transparency in the TMCH, including but not limited to the ability for qualified parties to audit it for compliance.

## II. Additional Background Material on Text Marks

### A. ICANN Background

#### **STI**

The GNSO Council & ICANN Board adopted rules (based on the STI Final Report and IRT Recommendations) that were very clear about the type of mark to be accepted by the Trademark Clearinghouse:

“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).”

<https://gns0.icann.org/en/issues/sti/sti-wt-recommendations-11dec09-en.pdf>

Further, the adopted rules themselves are very clear about the harm of putting design marks into the TMCH Database: “[Also 4.1] (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.)

#### **Applicant Guide Book**

The Applicant Guide Book adopted the same requirements:

#### **“3.2: Standards for inclusion in the Clearinghouse**

##### **3.2.1 Nationally or regionally registered word marks from all jurisdictions”**

### B. Trademark Law Background

“Word mark” has a consistent meaning across trademark organizations around the world:

*INTA: Word Mark (“standard character” drawings)—All letters and words in the mark are depicted in Latin characters; all numbers in the mark are depicted in Roman or Arabic numerals. The mark includes only common punctuation or diacritical marks and does not include a design element. The letters and/or numbers are not stylized.*

[http://www.inta.org/Trademark\\_Basics/FactSheets/Pages/FilinginUSFactSheet.aspx](http://www.inta.org/Trademark_Basics/FactSheets/Pages/FilinginUSFactSheet.aspx)

*WIPO: A mark in standard characters is equivalent in some countries to what is known as a “word mark”, as opposed to a “figurative” mark.*

[https://www.wipo.int/ex\\_port/sites/www/madrid/en/guide/pdf/partb2.pdf](https://www.wipo.int/ex_port/sites/www/madrid/en/guide/pdf/partb2.pdf)

*CIPO: Word mark: A trademark consisting of words in standard character, without regard to colour or font type.* <https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr00837.html#w>

***EUIPO:** A word mark consists exclusively of words or letters, numerals, other standard typographic characters or a combination thereof that can be typed.*

<https://euipo.europa.eu/ohimportal/en/trade-mark-definition>

### C. Harm from the Current Practice

Deloitte, which has understandable financial incentives to accept everything it can into the TMCH, has instead implemented an anything-goes approach. This contravenes the purpose of the TMCH—which was never to expand trademark rights, only to recognize them—and allows more invalid claims to be made, disrupting the proper operation of Sunrise and the Notice period.

The key principle violated by Deloitte’s practice is that a graphical mark incorporating generic or descriptive terms does not afford protection over the constituent words themselves. This lack of rights in such descriptive or generic terms within a “design” or “composite” or “mixed mark” was illustrated in the following WIPO UDRP decision of a unanimous three member panel concerned with an Argentinian registered trademark that comprised graphical elements and a generic term:

“Complainant has shown that it owns two trademark registrations in Argentina. The Panel notes that both registrations are for “mixed” marks, where each consists of a composition made of words and graphic elements, such as stylized fonts, a roof of a house, etc. See details of the registrations with drawings at section 4 above.

“As explained on the INPI website, “[m]ixed (marks) are those constituted by the combination of word elements and figurative elements together, or of word elements in stylized manner.” Accordingly, **the protection granted by the registration of a mixed mark is for the composition as a whole, and not for any of its constituting elements in particular.** Thus, Complainant is not correct when he asserts that it has trademark rights in the term “cabañas” (standing alone), based on these mixed trademark registrations.”

Marco Rafael Sanfilippo v. Estudio Indigo, WIPO Case No. D2012-1064, <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2012-1064>. As this example shows, registrations that include design elements often do so to add distinctiveness to otherwise descriptive or generic terms, such as cabañas (cabins).

This result was not unusual; it follows from basic principles of trademark registration. The presumption of validity provided by registration does not extend beyond that which is registered. See e.g., Neopost Industrie B.V. v. PFE Intern., Inc., 403 F.Supp.2d 669 (N.D. Ill. 2005) (registration of stylized mark didn’t extend protection to nonstylized uses); Kelly–Brown v. Winfrey, 95 F.Supp.3d 350, (S.D.N.Y. 2015) (dealing with special form mark whose words were unprotectable absent stylization), aff’d, Kelly–Brown v. Winfrey, 659 Fed.Appx. 55 (2d. Cir. 2016).

Extracting a word or letters from a larger design gives too many rights to one trademark owner over others using the same words or letters. It provides an unfair advantage for a claimant over

others using the same words or letters, and expands the rights conferred by the registration.

Applicants should be required to demonstrate that they possess rights in word marks, not word + other matter marks. The TMCH Validation Provider could develop lists of how various countries categorize mark types for automatic processing of most marks. Applicants could also submit evidence from a national registry about its classifications to show that they possessed rights in a word mark, or they could offer a court decision confirming that their rights extend to the words claimed as such, not limited to words + other elements.

### **Appendix:**

These are several mark-plus registrations for which Deloitte was provided both the mark and the registration information, including the classifications of the marks. Deloitte confirmed that it would extract the text from each one and enter the text into the TMCH Database.

#### Example 1: Parents



This is a US registration, No. 2654160, of words “in stylized form.” As a court decision confirmed, this registration grants the registrant no right in the word “PARENTS” as such, only in the particular stylization thereof. *Gruner + Jahr USA Publishing v. Meredith Corp.*, 991 F.2d 1072, 1077 (2d Cir. 1993) (“[T]he trademark registration of the title PARENTS in its distinctive typeface did not confer an exclusive right to plaintiff on variations of the word ‘parent.’”). Nonetheless, Deloitte would put it in the TMCH and give the registrant preemptive rights in Sunrise and trigger Claims Notices on its behalf. (The secrecy of the database prevents us from knowing whether this particular stylized mark, or the others shown in the Appendix, have been entered into the TMCH.)

#### Example 2: Dealhunter



This is an EU trademark, filing number 011340593. Its type is “figurative.” The additional description of the mark is “Colour: White, grey and green.”

Example 3: CARS



Reg. No. 3419857. This generic term is registered only in combination with the visual elements, classified by the US PTO as “Design Plus Words, Letters, And/Or Numbers.” As the registration explains, “The mark consists of the word ‘CARS’ in stylized lettering, surrounded by a dark oblong and superimposed over a stylized ‘V’.” [Deloitte did not specify whether it would put this into the TMCH Database as CARS or as CARSV.]

Example 4: MUSIC



This US registration for music-related services, No. 5053417, is “Design Plus Words, Letters, And/Or Numbers,” and the registration explains that it “consists of the stylized wording ‘MUSIC’ and the design of two parallel lines. One parallel line is longer than the other, the lines slant to the right, and form the letter ‘P’.” [Deloitte did not specify whether it would enter this into the TMCH Database as PMUSIC or simply as MUSIC.]

Example 5: A



This US registration, No. 5140785, is for “Words, Letters, And/Or Numbers In Stylized Form” The registration explains that “[t]he mark consists of a stylized letter ‘A’.”

Example 6: Own Your Power



This US registration, No. 3434419, is for “Words, Letters, And/Or Numbers In Stylized Form.” The mark “consists of light blue scripted letters which create the words Own Your ‘Power.’” As subsequent litigation confirmed, the registration conferred no rights against other uses of “own your power” that did not copy the stylization. *Kelly-Brown v. Winfrey*, 95 F. Supp. 3d 350, 358 (S.D.N.Y. 2015) (“Plaintiffs registered a ‘special form’ mark consisting of ‘light blue scripted letters which create the words Own Your “Power”’ with the following disclaimer: ‘No claim is made to the exclusive right to use own your power apart from the mark as shown.’ Plaintiffs’ registration is, therefore, limited to its stylized ‘light blue scripted’ use of the phrase ‘Own Your Power’ and Plaintiffs have no claim over the phrase itself.”).

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