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**ICANN Issues T3, N1 and N2**

**IAG Priority T3**

**Issue: Implementation: Communication Protocols**

From the perspective of a trademark attorney, the use of EPP is not highly relevant. Thus, I will leave it to the other interested parties to contribute thoughts as to the use of EPP for the TCH. I do note that EPP is fairly new, flexible and built on xml. As long as the stakeholders who are aware of the development and implementation costs do not have a clear alternative, the beginning framework should start with EPP. If cheaper and more efficient alternatives become available, it would seem that registrars and registries would consider adopting such alternatives at that time, and the TCH could participate in discussions about changes to the protocol.

**IAG Priority N1**

**Issue: Authentication Standards**

**1. If contact verification is employed, should this be repeated for every new trademark record submitted, or could it be only when a new contact record is initiated?**

Contact information is easily verified with regard to U.S. trademark filings. There is very often a mismatch between the initial name shown on a USPTO record, but the “Assignment” system is easily clickable from any TESS record, allowing a validator to easily see chain of title and determine the most recent owner. Thus, each record should be verified for ownership against the original filing.

Foreign filings are not as easy to validate. For example, WIPO still requires paper assignments, which take time to process. Moreover, foreign designations under WIPO are not always updated when the WIPO filing is updated. This will require that trademark owners seeking validation submit evidence of chain of title. This is an additional process, but not one that should present a problem for trademark attorneys or companies who are familiar with their trademarks. Assignment documentation is readily available for most who work in the field, and can be used to substantiate ownership in a way that is easy to understand for the validator.

Where the submitter is a law firm, their authority should need only one validation to act as the party submitting validations for a particular client. It is unclear in the question and N1 document if this is an issue. But, as a practical matter, a law firm or attorney should be able to submit a power of attorney or other agency document that suffices for all purposes and all marks for one entity.

**2. What is the optimal level of authentication of the party submitting the trademark rights to the clearinghouse? How much cost are users willing to bear for additional layers or levels of authentication? For any additional authentication steps proposed, what value would be added for Clearinghouse users?**

If a submitter is a U.S. based attorney, the level of authentication for their position as attorney for the client should not be stringent. Attorneys risk their license and much more, and are not likely to falsify their authority to submit on behalf of a client. The USPTO is a good example, where a trademark attorney need only submit a “title” that states “attorney of record, California bar member.” There is some risk of submissions by a non-attorney who misrepresents that he is an attorney. However, this is a risk with the USPTO, and I can think of no publicized event when such misconduct has occurred.

On the other hand, individuals do not have the compelling disincentives to do right. Thus, a party (individual or corporate employee) should be required to submit sufficient documentation to prove their role, and to ensure that they can be found if they are caught misrepresenting their role or other misconduct. This might be a letter of authorization on letterhead of the trademark owner, signed by an officer, plus a copy of the identification of the submitter.

In terms of the level of authentication, we must ask what incentive a third-party would have in registering a trademark with the TCH that is not their own? Probably little. Thus, the authentication required should be sufficient to give pause to would-be wrongdoers, and to track down misconduct, but not so much that it becomes onerous on the TCH or the filers.

**3. Is it desirable or necessary to provide a more in-depth authentication of the trademark rights themselves? How much cost are users willing to bear for those additional layers or levels of authentication, and what value do they add to Clearinghouse users?**

Those who claim trademark rights are not dishonest by nature, but there is a tendency by rights holders and their attorneys toward what we might call “pushing the limits.” Trademark law, unlike real property, does not have metes and bounds. Rights are somewhat flexible and as a result, overly aggressive rights holders and their attorneys tend to push the limits of their rights. In a trademark fight between parties, it is common that a party will assert broad rights. However, in a validated trademark registration process that will run like the TCH (without the back and forth of trained attorneys), the rights that are cleared should be more limited than what attorneys might allege in an infringement battle.

To that end, the TCH should provide a more in depth authentication of the trademark rights than merely accepting the filings on their face. The TCH should employ those trained to conduct this work, which should consist of former USPTO trademark examiners, attorneys and paralegals who have experience and training in trademark law. The process can be akin to prosecution though, providing a safeguard against bad decisions by the TCH examiner’s authentication decision.

Those who seek authentication should pay a fee that is reasonable in light of the “free” protection that they will receive by virtue of the authentication. Like filing a trademark, the benefit that the owner receives is far outweighed by the cost associated with the prosecution of the trademark.

In the end, users are better served because they are not wrongfully blocked by a registration that is overbroad. In addition, trademark owners are better protected by having authenticated their marks and may also avail themselves of the sunrise registration process with greater ease as a result of the expense of authentication.

**4. What safeguards or penalties could be established for misuse of data (e.g., a party takes publicly available data and makes submissions to the Clearinghouse in its own name)? Is this a significant concern?**

I address this to some extent in question 2, above. Misuse is possible, but we must ask what incentive there is for misuse and what the misuse would actually be. I doubt that misuse will result from attorneys filing, as they have licenses at risk. In terms of misuse by users, there should be some safeguards, such as collecting and saving the user’s IP, browser data, etc., and requiring an authorization signed on company letterhead, as well as ID that matches the email.

Penalties for misuse should be banning the user from the TCH, at a minimum. It would seem that reporting to a federal criminal agency for fraud would be warranted. Ultimately, if the actual trademark owner is notified, and given the information that can be collected so that the trademark owner can seek private civil remedies against the wrongdoer.

**5. How can we, and do we need to, mitigate any inequity if some data can be verified online and other data cannot?**

I assume you mean this. In the US, we can verify ownership easily as well as the goods and services. What if someone files a Spanish domestic trademark that may not be as easily accessible for verification. Do we take the word of the submitter for those filings, while requiring that US filers match the USPTO database? The bigger problem is not the inequity, but the problem of authenticating something so that it is considered as “solid” as a US filing when in fact, the data used to authenticate it was not actually as solid. If this is the problem anticipated, then there is no reason to remedy “inequity” in that a trademark owner in either instance is doing what they can with what is available. But, one must ask how we can provide a “par” authentication for a registration that is not as readily verifiable online. This would seem to require that the TCH have staff that can deal with submissions in every country.

If a circumstance arises where there is a US right that is verified through the USPTO, versus data that comes from a court order, there is no real inequity. Court orders are available online if we want to allow a validator to check the court record. While such records are not as easy as the centralized USPTO database, they are generally available, particularly as most trademark cases are federal, and Pacer is a centralized database.

**IAG Priority N2**

**Issue: Validation Standard for Proof of Use**

**1. Is it desirable or necessary to establish more onerous standards for certain parts of the review of samples in validating for use? For instance, should validation for use include consideration as to how the sample matches the class of goods or services? Is there additional value to mark holders and to Clearinghouse users of more detailed (and thus more expensive) examination of samples?**

There is an issue with proof of use in relation to the goods or services listed in a trademark registration. Do you want a trademark registrant to submit evidence of actual use for each good and service listed in the trademark registration? The USPTO does not require this, and will accept a specimen of one good or service among many that occur in the same class. Thus, an apparel registration might read, “apparel, namely socks, t-shirts, pants, and shoes,” but the trademark owner need only submit a specimen of use for one of these items in order to perfect a registration for all goods listed. The result of this policy has been to allow registration of goods that are not actually in use by the trademark owner. The case law on this is severe, in most cases finding fraud and as a result cancelling the entire trademark registration or considering it void *ab initio*. However, given the fact that there are numerous registrations that are overbroad, should the TMC require proof of use for each good that the trademark owner desires to “validate?” Should the standard for validation be more stringent than the USPTO, where third-parties can bring a cancellation proceeding to deal with the over breadth?

It would seem prudent to require those who seek validation to validate only for those goods or services that they actually substantiate with evidence of use. Thus, while a trademark owner can register with the TMC with a mere trademark, if the party seeks validation, that should only apply to the specific goods or services actually evidenced by the specimen. This is a more onerous standard, but given the fact that the TMC process is intended to prevent registration of a domain name that someone else might have a legitimate right to register for different goods or services, the more onerous standard is fair.

Thus, in my view, not only should the specimen match the goods or services strictly, but only the goods or services so-matched should be considered “validated.”

Issue N2 requests that “The specimen should be something that evidences an effort on behalf of the holder to communicate to a consumer so that the consumer can distinguish, without the possibility of confusion, the products or services of one from those of another.” This would seem to require a specific approach to specimen filings (specific to each and every good or service).

**2. How frequently should proof-of-use be re-verified? For example, could a verified proof of use be valid for a year or more?**

Companies rise and fall quickly. The attrition rate on federal trademark registrations is staggering. Massive numbers of trademarks that go abandoned. Thus, even though the party agrees that it will notify the TMC of its abandonment of a use, this may not occur with a business that has shut down. Annual re-validation might be reasonable, but that would also be a significant cost to the TMC and to the trademark owner. I would suggest a bi-annual verification, providing a shorter window that the typical trademark life cycle (5th year, 10th year and every 10 years thereafter), but one that is not as short as annual.

The re-validation should not be a re-filing of the same digital specimens that were used the prior year. Fresh specimens should be required, and the validation process might include a simple check against the date of creation of the specimen to stop lazy filing of the previous specimens our outdated files.

**3. What should be the process for notifying the Clearinghouse if the mark holder abandons use of the mark?**

The process of notifying the TCH of abandonment should be as simple as possible because there is little incentive for the registrant to take the time to go through this process. Provided there are adequate safeguards against fraud, the registrant should be able to do a simple form or check a box and submit a notice of abandonment. An email confirmation should be sent, with a link that allows the trademark owner to “undo” the abandonment if it was a mistaken filing (for example, clicking the wrong mark). If the user does not respond to the email by undoing the abandonment within a short period of time, then the abandonment should automatically execute after that time period.

For users whose marks go abandoned through inadvertence, such as not re-validating, there should be an easy means to re-file the validation without re-entering all of the same information. A re-validation for a previously abandoned mark should require a fresh specimen, but the technology should save the user’s former information.