

These comments are addressed to the Final Report of the Review of All Rights Protections Mechanisms Policy Development Process Working Group (RPM WG).

The undersigned trademark scholars and attorneys were dismayed to learn that Deloitte, the administrator of ICANN's Trademark Clearinghouse, has violated a fundamental rule created by the GNSO, adopted by the GNSO Council, and accepted by the ICANN Board. The GNSO Council and the ICANN Board approved rules for the new gTLDs and directed acceptance of only word marks, not design marks. The Working Group's review revealed, however, that Deloitte has extracted words out of design marks and composite marks and has included these words in the Trademark Clearinghouse with the same effect as if they were word marks. Not only does this practice not comport with the authorization it was given, but it also effectively grants protections to words that are deliberately not protected by most countries' trademark laws. The submitted registrations for design and composite marks are for a *combination* of words with graphic elements. The domestic trademark laws in the jurisdictions in which these registrations issued generally do not protect the individual words isolated from the whole of the mark. To receive protection of an individual word standing alone, a mark holder must seek a word mark (also known as a "text mark"). Shockingly, Deloitte's practice has been to treat the individual words contained in design and composite marks as if they are word marks. Some of the design and composite mark registrations submitted to Deloitte will inevitably include words that are disclaimed as a result of domestic trademark procedure for marks that include merely descriptive and generic words. Yet these words too will be swept up in Deloitte's practice and entered into the Trademark Clearinghouse as if they were word marks.

We also write to object to the secrecy of the Trademark Clearinghouse database. The Working Group discovered that Deloitte has kept all trademark registrations in the Trademark Clearinghouse secret. This practice contravenes the fundamental principle that ICANN should operate with transparency and accountability. The GNSO team evaluating rules for the Clearinghouse adopted by the GNSO Council and the Board made no rule or recommendation directing the Trademark Clearinghouse operator to make the database closed or secret. Further, trademark registrations are open and public records, available to all who seek to avoid consumer confusion. They are not trade secrets; they are matters of public record. An open and public Clearinghouse is the best way for good-faith future registrants to find and steer away from domain names that are likely to cause confusion with existing trademarks in the Clearinghouse. Not only was secrecy never decided on or recommended by the ICANN community, but it also has contributed to a malfunction of the Trademark Notice system that the Trademark Clearinghouse was meant to support. The Working Group's review found that 7 of the top 10 words that were most frequently the basis for Trademark Claims Notices—which are intended to dissuade people from registering domain names in new gTLDs—are common dictionary words: smart, hotel, one, love, cloud, ABC, and luxury.¹ This suggests that Claims Notices may be chilling legitimate domain registrations, and that they are emanating from design or composite mark registrations (because such common words are unlikely to be granted registration as text marks in most countries). It is imperative that the ICANN community learns the extent of these problems, but the secrecy of the Clearinghouse makes that impossible.

¹ <https://www.icann.org/en/announcements/details/revised-report-of-the-independent-review-of-the-trademark-clearinghouse-now-available-23-2-2017-en> (Report, p.9)

We ask the ICANN Board to direct ICANN staff to stop Deloitte’s practice of extracting words and letters from design and composite marks. In doing so we note that the ICANN Board and senior ICANN staff have the power to direct that a problem created by ICANN staff be resolved by the staff in a much better and fairer manner, consistent with the balance of rights and equities reflected in trademark law. As members of the ICANN Board, we ask you to direct ICANN staff to revisit this issue, and revise their rules to much more narrowly solve the very limited problem that Deloitte reported. As trademark scholars and attorneys, we would be happy to help ICANN staff and Deloitte come up with a set of rules consistent with international trademark law and its balances and protections for free expression for those rare situations where a rightsholder requests Clearinghouse protection for a mark registered in a jurisdiction that does not distinguish word marks from design marks.

Second, we ask the ICANN Board to reverse Deloitte’s practice of keeping the Trademark Clearinghouse secret and off limits to public searching—another feature created and approved by ICANN staff. Like Deloitte’s approach to design and composite mark registrations, the secrecy of the Clearinghouse arose during “implementation” and under the oversight and direction of ICANN staff. What ICANN staff created, they can reverse, to the benefit of all. We ask the ICANN Board to direct the staff to make the Trademark Clearinghouse open for public viewing by default.

Respectfully submitted,

May 21, 2021

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