

The undersigned intellectual property scholars and attorneys write in response to the Final Report of Phase 1 of the Review of All Rights Protections Mechanisms Policy Development Process Working Group (RPM WG).

In the course of the Working Group's review, members and later the Community were dismayed to learn that Deloitte, the administrator of ICANN's Trademark Clearinghouse, was violating a fundamental rule created by the GNSO, adopted by the GNSO Council, and accepted by you, the ICANN Board. Even though the Trademark Clearinghouse is supposed to contain only word marks, Deloitte extracts words out of design and composite marks and includes them in the Clearinghouse, effectively granting protections to words that are deliberately not protected by most countries' trademark laws. With a design or composite mark, one asserts rights in a *combination* of words or letters and graphic elements. Such marks are protected as a unified whole, *not* a collection of independently protected elements. If a brand holder seeks protection of the word standing alone, they must seek a word mark (also known as a text mark). Deloitte's practice effectively collapses design and composite marks into word marks. Design mark registrations submitted to the Clearinghouse will inevitably include words that have been disclaimed for protection during the trademark application process under national laws, because of laws that exclude generic or merely descriptive terms from protection.

We believe this is exactly what has happened. The Working Group found that 7 of the top 10 words that were most frequently the basis for Clearinghouse Trademark Notices (triggered by matches with the database, and intended to dissuade people from registering domain names in new gTLDs) are common dictionary words: smart, hotel, one, love, cloud, ABC, and luxury. These seven words are dictionary terms with unlimited legal uses, both commercial and noncommercial. We suspect these words were among those extracted by Deloitte from design and composite marks.

We know the ASCII and Unicode character sets that make up domain names have no design elements, which is why the diverse and balanced team that the GNSO Council specially appointed to review the proposal to create the Trademark Clearinghouse stated clearly that the Trademark Clearinghouse should include only registered text marks and should exclude all design marks:

“The TC [Trademark Clearinghouse] 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.)”<sup>1</sup>

**We ask the ICANN Board to direct ICANN staff to stop Deloitte's practice of extracting words and letters from design and composite marks.**

What the research of the RPM WG revealed in the last four years is:

- The GNSO Council and the ICANN Board approved rules for the New gTLDs and directed acceptance of only word marks in the Clearinghouse (not design marks);
- The vast majority of countries with trademark registries have established different laws and rules for word marks and for design or composite marks; the trademark applicant makes their choice and lives by it;

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<sup>1</sup> [https://gns0.icann.org/sites/default/files/filefield\\_8000/sti-wt-recommendations-11dec09-en.pdf](https://gns0.icann.org/sites/default/files/filefield_8000/sti-wt-recommendations-11dec09-en.pdf)

- The vast majority of registrants to the Clearinghouse come from countries that differentiate between word marks and design or composite marks;
- Several countries with trademark registries do not separate word marks and design marks;
- When Deloitte raised the problem with ICANN staff, ICANN staff, without consultation with trademark scholars or the broader community, directed Deloitte to accept *all* design and composite marks from all jurisdictions and extract the words—creating a system that violates GNSO agreements (accepted by the GNSO Council and ICANN Board) and fundamental principles of trademark law.

We note that the RPM WG Final Report, pages 135-137, includes the carefully crafted questionnaire of Professor Rebecca Tushnet of Harvard Law School, an international trademark scholar, and was sent by the RPM WG to Deloitte. Deloitte confirmed to the RPM WG that it would extract each and every word and letter from the broad set of examples Professor Tushnet provided, including the basic word “parents” and even the letter “A”, and include them in the Clearinghouse.

This practice came about because of actions taken by ICANN staff, and staff are in the best position to remedy it. As members of the ICANN Board, we ask you to direct the staff to revisit this issue, and revise their rules to narrowly address the limited problem of countries that don’t distinguish design and text marks. 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.

We further note that while the RPM WG devoted time to this issue, with ideas drafted by members across the Community, it could not find a single path forward. It is very difficult for the GNSO Community to solve a problem not created by the GNSO community.

**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.**

In addition, the Working Group discovered that Deloitte keeps all registrations in the Trademark Clearinghouse secret, contravening 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 about locking down the Trademark Clearinghouse to make it closed or secret. Transparency and accountability are, after all, the bywords of ICANN.

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.

Like Deloitte’s approach to design marks, 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 ICANN staff to make items in the Trademark Clearinghouse database open by default. Should extraordinary circumstances develop such that a country does treat some trademark registrations as secret—a circumstance almost unimaginable given the nature and purpose of

trademarks—the undersigned attorneys and scholars are happy to join ICANN staff in drafting a narrowly tailored exception to the openness rule.

The undersigned support this call for the ICANN Board to intervene and reset the rules for the Trademark Clearinghouse. What ICANN staff broke, we can fix together.

Respectfully submitted,

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