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**2013-06-04-01a-NGPC-Reference Materials-BGC
Recommendation Reconsideration Request 13-3.docx**

**REFERENCE MATERIALS TO NEW gTLD PROGRAM COMMITTEE
SUBMISSION NO. 2013-06-04-1a**

TITLE **BGC Recommendation on Reconsideration
Request 13-3**

Background

While the full background can be found in the documentation attached, the 19 April 2013 Reconsideration Request 13-3, brought by the GNSO Noncommercial Stakeholder Group, through Robin Gross (the “Request”), sought reconsideration of the ICANN staff action of 20 March 2013 regarding “Trademark Claims Protection for Previously Abused Names.” This action allows for the addition of a limited number of names previously determined to have been abusively registered or used) to an existing, verified record in the Trademark Clearinghouse. The Request stated that the staff action resulted in the creation of new policy relating to the Clearinghouse, and also identified other potential areas where the staff action was in violation of existing policy.

The Board Governance Committee considered in detail the issue of whether the staff action was the creation of new policy or the implementation of existing policy, and the BGC determined that this action was the implementation of existing policy. The BGC considered each item that the NGSC identified to support its position regarding the creation of policy in reaching its determination. The BGC noted that there were no specific policies in place regarding the scope of records within the Trademark Clearinghouse, therefore this staff action was implementation of the existing policy established through Recommendation 3 of the GNSO Council’s policy recommendations on the introduction of New gTLDs. The BGC also determined that there were no other ICANN policies or procedures that were alleged to be violated through the staff action.

Document/Background Links

The following attachments are relevant to the BGC’s recommendation regarding NCSG’s Reconsideration Request 13-3.

Attachment A is [Reconsideration Request 13-3](#).

Attachment B is [Attachments to Request 13-3](#).

Attachment C is the [BGC's Recommendation on Reconsideration Request 13-3](#).

Submitted by: Amy A. Stathos
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**2013-06-04-01a-NGPC-Reference Materials-Attachment
A-BGC Recommendation Reconsideration Request 13-
3.pdf**

RECONSIDERATION REVIEW REQUEST

The GNSO Noncommercial Users Stakeholders Group (NCSG) respectfully submits to the Board Governance Committee (BGC), per Article IV, Section 2.3 of the Bylaws of the Internet Corporation of Assigned Names and Numbers (ICANN), this Request for Reconsideration of certain staff action dated 20 March 2013. Submittal today is in accordance with rules and regulations established by ICANN under Article IV, section 2.6 of the aforementioned Bylaws.

This Request consists of the following elements, specified on the website of the Board Governance Committee (BGC), in effect on the date of staff action:

I. Requester Information:

Ms. Robin Gross, Chair
Noncommercial Users Stakeholder Group
IP Justice

REDACTED



II. Request for Reconsideration of:

Staff action of 20 March 2013 titled ‘Trademark Claims Protection for Previously Abused Names’.

III. Manner by which Requester will be affected by the Action:

The Noncommercial Users Stakeholders Group (NCSG) is the home of civil society and individual noncommercial users within ICANN. Consisting of over 300 members, both individuals and noncommercial institutions, from over seventy countries the NCSG is the most international and diverse component of the ICANN governance structure.

The proposed extension of the trademark protection in question, which is greater than that which is or has been available to mark holders in any known jurisdiction worldwide, would cause our members severe harm. The NCSG respectfully requests that the Board nullify the procedurally incorrect staff action in question and return to the policy outlined in the Applicant Guidebook, which was properly developed through a balanced multiyear inclusive bottom-up consensus-based policy process.

The specific staff developed policy to which we object extends trademark-like privileges to up to 50 derivations of existing trademarks that have been found to be abusive in other contexts in UDRP or national court proceedings. This new policy greatly expands the rights of trademark holders through the creation of new rights that do not exist in traditional national jurisprudence.

The “Trademark +50” nomenclature attached to this new policy is actually a misnomer. This staff developed policy allows mark holders to place up to 50 derivatives of a registered mark into the Trademark Clearinghouse (TMCH) for EACH separate registration of a single trademark. This is an unprecedented expansion of the scope of trademark privileges.

For example, Apple Inc. has 28 active trademark registrations through the Madrid System for the trademarked term “Apple”. For each of these national registrations Apple will be allowed to place 50 derivations of this mark, that encompasses 1400 derivations of the single trademark ‘Apple’, into the TMCH. In reality, this staff developed policy could be more accurately labeled ‘Trademark + *n*’ as the road to infinity is tempered only by the number of potential jurisdictions offering applicants registered trademark protection.

The staff developed definition of an abusive registration is also problematic and flouts the careful balances of trademark law jurisprudence. Just because a party is judged to have infringed a trademark in one context does not mean that all subsequent uses of that indicator by other parties in different situations would also be infringing. Subsequent registrants may have legitimate non-infringing uses planned for a domain name that corresponds exactly to a word that was subject to a previous infringement action. Staff’s policy presumes that just because at one point, Microsoft’s trademark was infringed, that every subsequent use of that trademark by every subsequent person is also an infringement. But that policy contradicts real trademark law, which recognizes that context and parties are absolutely relevant to whether one has a lawful right to use a trademark. Staff’s policy simply does not allow for differentiations in context such as geography, product class, fair use or parody. This significant departure from the balance struck between trademark holders and noncommercial users of words in domain names will be particularly injurious to noncommercial users.

This massive expansion of trademark holder’s rights will have a particularly chilling and pre-emptive effect on noncommercial speech. Prospective registrants will be faced with new legal risks should they dare to attempt to register a domain name that may trigger a TMCH claims notice, despite their intended use of the domain being perfectly legal and non-infringing. Noncommercial users are often fiscally challenged without the financial resources to retain legal counsel or, in many cases, to even engage specialist counsel to determine whether their proposed name is infringing or lawful fair use. Many noncommercial users will simply abandon their registration upon receipt of a TMCH. This unilateral staff policy decision to greatly expand marks holders

rights will raise the real cost of registering a domain name to unacceptable levels for many noncommercial users.

Of particular concern is the effect of receipt of a claims notice on the rights and responsibilities of prospective registrants under many national laws. The *mens rea* element of many national intellectual property statutes (for example, 18 USC§ 2320 (criminal) and 15 USC §1125 (d) (1) (B) (VIII) (civil) in the United States of America) will be triggered by a TMCH claims notice. An applicant may have a good faith belief that their potential registration is fair use of a word, but the potential legal liability created by the imputation of knowledge of infringement by the TMCH claims notice, should their good faith belief be proven wrong, will cause many noncommercial applicants to forgo certain domain name registrations for fear of potential criminal or enhanced civil liability triggered by the claims notice alone.

This staff developed policy for which we request reconsideration will have a particularly deleterious effect on the often resource challenged noncommercial user. It unfairly favor trademark holders at the expense of other legitimate interests. Staff's plan will limit the exercise of noncommercial speech and will inhibit the participation of noncommercial users in current and future gTLD programs. We ask that the Board revert to the TMCH trademark protection provisions that of 'exact match', developed by community consensus process and contained in the Applicant Guidebook and upon which applicants' relied when they applied.

IV. Extent to which Staff Action Adversely Affects Others:

Small commercial users will face many of the same challenges as noncommercial users and will be adversely affected, as above.

The cost of compliance for Registry operators will be increased by this staff developed policy. More domain names will be subject to sunrise challenges and the number of names available for sale will be reduced. Both registries and registrars will also be harmed as potential registrant customers will be wrongfully frightened away from completing their lawful registrations after having received the TMCH infringement notice. Countless lawful domain name registrations will be abandoned upon receipt of the TMCH claims notice.

Applicants with plans and / or business models based upon the community developed trademark protection model contained in the Applicant Guidebook will be adversely affected by this staff developed policy, insofar as their plans have the potential for triggering a TMCH claims notice under this new policy or would require them to seek legal counsel or otherwise re-evaluate their plans going forward. TLD applicants relied upon the policy provided by ICANN in the Applicant Guidebook and now face increased costs and risks as a result of staff's ex post facto policy deviation decision.

Volunteers whose participation in ICANN is based upon their belief in the bottom-up consensus based multistakeholder model will have their belief in ICANN's adherence to this model adversely impacted should this hierarchical top down staff driven policy be allowed to stand.

V. Is Temporary Stay Requested? If so, harm that will result if staff action is not stayed:

Provided the Board adheres to the reconsideration timeline, contained in the ICANN Bylaws and posted on the BGC website, there should be no need for a temporary stay in this matter.

It is important that the original scope of trademark protection developed by community consensus, and contained in the Applicant Guidebook, be fully reinstated prior to any TLD subject to the rules in contention going 'live'.

No TLD should be subject to this staff developed policy expanding the scope of trademark protection and in contradiction to GNSO-developed policy. Should it appear that due to delay normal Board action on this Reconsideration Review Request will not occur prior to a TLD going live a temporary stay might be needed to protect the interest of registrants.

It should be noted that what is at issue is not the launch of the new gTLD program. Rather in question is which set of rules will be applied at launch: the community based consensus driven 'exact match' rules contained in the Applicant Guidebook or the top down staff developed 'trademark +50' approach ICANN staff is attempting to impose upon the community.

VI. Explanation of staff action and why the action is inconsistent with established ICANN policies:

On September 19, 2012, in a letter to Senator Pat Leahy and three other member of the United States Congress, ICANN President and Chief Executive Officer Fadi Chehade stated:

“It is important to note that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or creator of new rights. Extending the protections offered through the Trademark Clearinghouse to any form of name (such as the mark + generic term suggested in your letter) would potentially expand rights beyond those granted under trademark law and put the Clearinghouse in the role of making determinations as to the scope of particular rights. The principle that rights protections ‘should protect the existing rights of trademark owners, but neither expand those rights nor create additional legal rights by trademark law’ was key to the work of the Implementation Recommendation Team, a group of

experts in the ICANN community who initiated intense work to recommend rights protection mechanisms in the new gTLDs”.

Less than six months after this letter ICANN staff created its ‘Trademark Claims Protection for Previously Abused Names’ policy which causes the Trademark Clearinghouse to act precisely in the way Mr. Chehade claimed it would and should not. Should this staff developed policy be allowed to proceed, ICANN will be in the position of creating unprecedented new rights protections in a manner Fadi Chehade assured the United States Congress it would not. ICANN policy, it was then claimed, simply would not allow for the creation of new legal rights expanding the scope of trademark law in the context of the Trademark Clearinghouse.

One things needs to be made abundantly clear: the issue at hand is one of policy and not one of implementation. This is something that is and has been acknowledged in some form by all involved parties:

1. ICANN staff issued a document on 29 November 2012 (updated on 3 December 2012) entitled ‘Trademark Clearinghouse: Strawman Solution’ which states “The inclusion of strings previously found to have been abusively registered in the Clearinghouse for purpose of Trademark Claims can be considered a **policy** matter... Given the previous intense discussions on the scope of protections associated with a Clearinghouse record, involving the IRT/STI, we believe this needs guidance from the GNSO Council.”
2. In a posting on his blog dated November 26, 2012 ICANN President and Chief Executive Officer Fadhe Chehade wrote, “the inclusion of strings previously found to be abusively registered in the Clearinghouse for purposes of Trademark Claims can be considered a **policy** matter.”
3. In an e-mail to GNSO Chair Jonathan Robinson ICANN President and CEO Fadi Chehade asked for “**policy** guidance” on the portion of the Strawman Model pertaining to “the scope of trademark claims.”
4. In his February 29, 2013 response to Mr. Chehade, GNSO Chair Robinson wrote regarding the expansion of trademark scope that “the majority of the council feels that is proposal is best addressed as a **policy** concern, where the interest of all stakeholders can be considered.”

As the expansion of trademark scope in the TMCH is a matter of policy Mr. Chehade and staff were correct in asking for guidance from the GNSO Council. That guidance, contained in the aforementioned letter from Mr. Robinson to Mr. Chehade, stated that “the majority of the Council believes this suggestion deserves further examination, not only to protect the interests of rights holders, but also to ensure latitude for free speech through lawful and non-abusive registrations.”

In the ICANN model policy in the generic name space is developed by the GNSO through Policy Development Processes (PDP) or Policy Guidance Working Groups (PGWG). It is not created, as in this instance, by mere declaration of ICANN staff. ICANN's legitimacy depends upon it acting in accordance with its claim that it is a community-led bottom-up consensus based forum for global policy development. Without the consent of the governed, ICANN lacks democratic legitimacy.

The Board, of course, does not have to accept the recommendations of the GNSO Council. ICANN Bylaws (Annex A, section 9, subsections b, c and d) allow the Board to disregard GNSO Council recommendations when it determines it is in the best interests of the "ICANN community or ICANN (the Corporation)" (ICANN Bylaws, Annex A, section 9, subsection b) to do so. The Board must, however, follow a specified procedure if it wishes to disregard the recommendations of the GNSO Council. Specifically, it must submit a statement to the GNSO Council (Annex A, section 9 (b)), hold discussions between the Board and the Council (Annex A, section 9 (c)), allow the GNSO Council to develop a Supplemental Recommendation (Annex A, section 9 (d)) which the Board can review and then act accordingly in the best interest of ICANN, community and Corporation.

In this instance neither the staff nor the Board followed this mandatory procedure contained in ICANN's bylaws. Rather, ICANN staff acknowledged GNSO input and then proceeded to ignore it, acting unilaterally and following no known established ICANN policy or procedure.

In its March 20, 2013 'Memorandum on the Trademark Clearinghouse 'Strawman Solution' announcing the decision to include 'Trademark +50' in the TMCH, ICANN staff acknowledged that "The GNSO advised that this should be a policy discussion rather than an implementation change. The GNSO Council communication also made reference to the stated principle that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or a creator of new rights."

Staff then improperly ignored the acknowledged GNSO recommendation, stating, "this proposal appears to be a reasonable add on to an existing service, rather than a proposed new service". This is a policy determination by ICANN staff that is in direct opposition to the GNSO recommendation. ICANN staff gave absolutely no rationale for its action in the matter nor for its reasoning in ignoring the GNSO recommendation.

This entire mishandled process directly contravenes section 7 of the Affirmation of Commitments By The United States Department of Commerce And The Internet Corporation For Assigned Names And Numbers which requires ICANN to adhere to "cross community deliberations, and responsive consultation procedures that provide detailed explanations of the basis of decisions, including how comments have influenced the development of policy consideration(s)." Cross community

deliberations, as represented by the GNSO, have been ignored and no substantive explanation of the policy created unilaterally by staff has been proffered.

The ‘exact match’ standard for the TMCH contained in the Applicant Guidebook was the result of years of painstaking negotiation and compromise achieved through the bottom-up multi-stakeholder consensus driven process that gives ICANN its legitimacy. Both the IRT and STI carefully considered the issue of exact matches versus the inclusion of additional derivatives in the TMCH and both opted for the exact match standard. This was accepted by the entire community and is included in the Applicant Guidebook.

We now have staff developed policy that upsets the balance struck within the community in establishing the TMCH. This unilateral staff developed policy was created in a manner that violates both the ICANN Bylaws and the Affirmation of Commitments. It is bad policy created in an illegitimate manner and should be set aside by this Board.

VII. Specific action ICANN is requested to take and the grounds for such action:

ICANN is respectfully requested to revert back to the ‘exact match’ trademark protection policy contained in the Applicant Guidebook upon which applicants relied when they filed their applications.

Unlike the staff developed ‘trademark +50’ approach, the multistakeholder developed ‘exact match’ policy is in complete adherence with ICANN’s policy development processes and creates a Trademark Clearinghouse that reflects consensus achieved through years of negotiation and compromise within the ICANN community.

Submitted this 19th day of April 2013

Robin Gross
Chair
Noncommercial Stakeholders Group

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B-BGC Recommendation Reconsideration Request 13-
3.pdf**

ATTACHMENT 1



The Internet Corporation for Assigned Names and Numbers

The Honorable Pat Leahy
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510

The Honorable Chuck Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, DC 20510

The Honorable Lamar Smith
Chairman
Committee on the Judiciary
House of Representatives
Washington, DC 20515

The Honorable John Conyers, Jr.
Ranking Member
Committee on the Judiciary
House of Representatives
Washington, DC 20515

Dear Chairman Leahy, Ranking Member Grassley, Chairman Smith and Ranking Member Conyers:

Thank you for your letter dated August 7, 2012 requesting information about ICANN's New gTLD Program. As you may know, ICANN received approximately 1,930 applications that are currently being processed according to the procedures specified in the Applicant Guidebook. As described in ICANN's response to your letter of December 27, 2011, the Applicant Guidebook incorporates significant protections to address the concerns raised by trademark owners, law enforcement, consumers and others during the seven-year development of the New gTLD Program.

ICANN agrees that the ongoing review of applications represents a critical phase of the program. We are pleased to provide the information requested. We provide you with some relevant background information, and then set out the specific questions identified in your letter.

Availability of Objection Processes and Community Inputs

In line with its commitments, ICANN provides several avenues by which stakeholders can raise concerns with applications received in the New gTLD Program, designed to protect against the types of confusion and abuses raised in your letter.

First, the objection period is open for the filing of formal objections on the grounds of String Confusion, Legal Rights, Limited Public Interest and Community. The three dispute resolution service providers identified to hear these four types of objections are staffed to handle and make determinations on the objections filed. Information on each of the objection processes, as well as procedural information for each of the providers is available at <http://newgtlds.icann.org/en/program-status/objection-dispute-resolution>. Easy access to this information is a key factor in encouraging participation by any person or entity with valid grounds for objection. In addition, the Independent Objector has been identified, and his office is functional and

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working towards the consideration of filing formal objections in the public interest as deemed necessary or appropriate (<http://www.icann.org/en/news/announcements/announcement-14may12-en.htm>).

Another important component of the protections is available to the governments through ICANN's Governmental Advisory Committee (GAC), made up of representatives of 118 member governments and 25 observers. The Early Warning procedure enables governments (and those they represent) to signal to applicants that they have concerns with requested top-level domains that are controversial or sensitive. In addition, the GAC may provide advice directly to the ICANN Board of Directors on any individual application, including that the application should be rejected as not being consistent with the public interest.

ICANN Extended the Community Comment Period

In your letter, you ask: *Will ICANN confirm that it will keep open the New gTLD public comment forum so that the broader public can comment on applications, and the Independent Objector can receive their views? If not, then what is the justification for refusing to accept and consider such material comments from the public?*

ICANN Response: The application comment period was launched on June 13 2012 and it will remain open for the life of the new gTLD evaluation process. The 60-day period you describe was originally specified through community discussion, i.e., that ICANN planned to send all comments received during the first 60 days of publication of the applications directly to the evaluation panels for their review. In response to community comments – similar to those raised in your letter – ICANN announced on August 10, 2012 that the comment period would be extended for an additional 45 days, ending on 26 September 2012 (<http://www.icann.org/en/news/announcements/announcement-2-10aug12-en.htm>). As of today, ICANN has received over 6700 comments on applications through this comment period, all publicly viewable at <https://gtldcomment.icann.org/comments-feedback/applicationcomment/viewcomments;jsessionid=F9755AD774A4E70742C25405580DCE51>. The extension is consistent with ICANN's commitment to act as a responsible steward of this program.

Raising Public Awareness Has Been a Key Focus

Another specific question raised in your letter is: *What steps has ICANN taken to inform members of the public outside the ICANN community about the New gTLD public comment process, and to ensure the public's maximum and meaningful consideration and participation?*

ICANN Response: ICANN's communications team has worked hard to publicize the availability of the objection processes, as well as the extension of the comment period. Communications activities are designed to reach people outside of the ICANN community to provide them with information on the New

gTLD Program, and to make the information accessible and relevant. This encourages both maximum and meaningful participation in ICANN's processes.

ICANN representatives have been featured in news stories from major news outlets, including Reuters, CNN, BNA and the Wall Street Journal, and additional efforts to raise awareness are ongoing. As a result of ICANN outreach leading up to the opening of the application window, more than 10,000 articles about it have appeared around the world, with about 2,500 of these articles appearing in developing economies. These numbers account for only established media outlets and do not take into account blogs written about the program. Many more articles have appeared since the opening of the window.

ICANN representatives including Directors, staff, community members and others spoke at 59 live events, reaching about 14,500 people across all five geographic regions.

ICANN also conducted a social media campaign through Facebook and Twitter updates. We tweet 5-8 times a day and the number of followers increased from 7,000 to 45,000 (over 500%) within a few months. A Google ad campaign ran for seven weeks in 145 countries, including the 35 countries that the World Bank defines as lowest income. There were six ads in the series, targeted geographically by IP address. ICANN ran a banner ad campaign targeting Chief Marketing Officers in developing economies. Together, the CMO-targeted campaign and the Google Ad campaign sent nearly 22,000 visitors from 136 countries to the new gTLD website and delivered more than 5,500,000 impressions.

Currently, ICANN is making full use of social media tools to publicize the availability of the objection processes and the comment period, and links to the comment pages and objection information are prominently featured on ICANN's New gTLD Program microsite (newglds.icann.org).

The Role of the Independent Objector

On the Independent Objector, you inquire: ICANN has appointed an Independent Objector to review gTLD applications, but ICANN's Guidebook states that he may only raise objections that have been previously voiced by the public. Given this restriction, what steps is the Independent Objector taking to encourage and maximize public input? What role will the Independent Objector play in articulating and representing public concerns about specific gTLD applications?

ICANN Response: The Independent Objector's mandate is to act solely in the best interest of public users of the global Internet and not to act on behalf of any particular individuals or entities. The Applicant Guidebook states, "in light of the public interest goal noted above, the [Independent Objector] IO shall not object to an application unless at least one comment in opposition to the application is made in the public sphere." This relatively minor limitation was inserted through Internet community discussion. That working group balanced the need for the Independent Objector safeguards and for limiting restrictions on expression.

To determine whether to pursue an objection, the Independent Objector evaluates all submitted comments and can also review any other materials, e.g., blogs, articles, surveys, and other relevant application information. He does not solicit comments nor does he pursue objections that were not first raised in the public comments.

Rights Protection Mechanisms

The Trademark Clearinghouse is a tool that will be available across gTLD launches to support rights protection mechanisms. The required startup mechanisms that are supported by the Trademark Clearinghouse are the sunrise period, i.e., the period before the opening of general registration where rights holders registered in the Trademark Clearinghouse can register names within the TLD, and the trademark claims service, a notice to those attempting to register trademarked names. These are *minimum* requirements that were agreed on by the ICANN community, balancing the interests of rights holders with those of registrants, registries, and others.

Scope of the Trademark Clearinghouse and Required Notices

In your letter, you ask: *Is there anything that prevents ICANN from requiring registries to make the Trademark Clearinghouse available as a permanent service, extending it beyond the first 60-day period? Have Clearinghouse operators analyzed the feasibility of providing more meaningful and comprehensive trademark notifications, instead of only providing notice when users register identical terms?*

ICANN Response: There is nothing precluding registries from electing to continue to offer the trademark claims service beyond the required 60-day period; indeed, the Applicant Guidebook incentivizes registries to provide rights protections that exceed minimum requirements. In implementation of the claims process to be used with the Trademark Clearinghouse, the possibility for registries to offer an extended trademark claims period has been a key factor in the design, and care is being taken to avoid a technical implementation that would make it impractical for registries to offer extended claims periods. For the first round of new gTLDs, ICANN is not in a position to unilaterally require today an extension of the 60-day minimum length of the trademark claims service. The 60-day period was reached through a multi-year, extensive process with the ICANN community. One reason for this is that there are existing IP Watch services that address this needs. Those community members that designed the Trademark Claims process were cognizant of existing protections and sought to fill gaps, not replace existing services and business models.

Regarding the scope of the notices provided in the trademark claims process, a notice is provided to rights holders based a definition of “match” that was agreed upon in the community discussions. This definition includes the following:

“Identical Match” means that the domain name consists of the complete and identical textual elements of the mark. In this regard: (a) spaces contained within a mark that are either replaced by hyphens (and vice versa) or omitted; (b) only certain special characters contained within a trademark are spelled out with appropriate words describing it (@ and &); (c) punctuation or special characters contained within a mark that are unable to be used in a second-level domain name may either be (i) omitted or (ii) replaced by spaces, hyphens or underscores and still be considered identical matches; and (d) no plural and no “marks contained” would qualify for inclusion.

It is important to note that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or creator of new rights. Extending the protections offered through the Trademark Clearinghouse to any form of name (such as the mark + generic term suggested in your letter) would potentially expand rights beyond those granted under trademark law and put the Clearinghouse in the role of making determinations as to the scope of particular rights. The principle that rights protections “should protect the existing rights of trademark owners, but neither expand those rights nor create additional legal rights by trademark law” was key to work of the Implementation Recommendation Team, a group of experts in the ICANN community who initiated intense work to recommend rights protection mechanisms in new gTLDs. See <http://archive.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>. Though ICANN cannot mandate that the Trademark Clearinghouse provide notices beyond those required in accordance with the Registry Agreement, there is nothing to prevent the Trademark Clearinghouse or others from offering additional services that would, for example, give notice regarding various forms of a trademark. This was one of the further services that has been raised and contemplated in community discussions.

Trademark Clearinghouse is Expected to be Cost-Effective for Participants

On cost-related issues, you ask: A further rights protection mechanism ICANN highlights is the availability of a “sunrise period when certain trademark holders may reserve names in a new gTLD before it opens. Some are concerned that registries may use strategic pricing to take advantage of businesses and individuals who feel compelled to defensively register their names. What policies, if any, does ICANN have in place to discourage this activity and allay these concerns?

ICANN Response: ICANN has also heard the concerns that the rights protection mechanisms included within the New gTLD Program may be seen as too costly for some trademark holders. In development of the Trademark Clearinghouse, one of the foundational objectives is to make its services cost effective for participants. This can be seen, for example in the RFI issued for vendors to operate the Trademark Clearinghouse. See <http://archive.icann.org/en/topics/new-gtlds/trademark-clearinghouse-rfi-03oct11-en.pdf>. ICANN cannot,

however, set prices at which registries offer services to registrants and rights holders. As seen above, community discussion has already demonstrated that offering expanded rights protection services may be an area of competition and differentiation among new gTLD registries.

Work is Underway to Plan for Reviews

Another question raised in your letter is: *In the response to our December 2011 letter, ICANN suggested that the Government Advisory Committee agreed to the current Clearinghouse policies based on ICANN's commitment to review those policies "post-launch." When does ICANN intend to conduct this review? Is ICANN committed to making changes in response to specific suggestions and comments received as part of the "post-launch" review? In what ways might ICANN enhance its Clearinghouse policies after the new gTLDs launch?*

ICANN Response: ICANN continues to commit to the review and implementing improvements based on its findings. The process for review of the effectiveness of all new rights protection mechanisms has certain, definite triggers. ICANN has committed to other reviews, such as a review of the effect of new TLDs on the root zone, a post-delegation economic study, as well as the review called for the Affirmation of Commitments, discussed in our letter of 2 February 2012. In fact, ICANN has already begun planning for how to do the specific reviews on rights protection mechanisms, as seen in our June 2012 planning session to prepare for the next round of new gTLDs.

When gTLDs "go live" and the Clearinghouse processes become operational, reporting both from the Clearinghouse and registries is being designed to identify issues where more work may be required, and will provide important information regarding modifications to be considered by the community. It is premature for ICANN to predict what enhancements to rights protection mechanisms (or other parts of the Applicant Guidebook) may result from the completion of the identified reviews. ICANN does commit to operating these reviews in a timely and transparent fashion, and to listening carefully to the community views on these topics.

Continued Enhancement to ICANN's Contractual Compliance Department

On the topic of ICANN's Contractual Compliance Department, you note: *We understand that ICANN is currently working to expand its compliance capabilities to monitor and investigate cases of abuse. We are encouraged by this news, but are interested in receiving further details, including whether ICANN will dedicate a portion of the nearly \$350 million in gTLD application fees it has received to this initiative.*

ICANN Response: ICANN's Contractual Compliance department continues to grow, with the addition of three full time staff members since the Prague meeting. ICANN now has 15 full-time employees with language skills to communicate in Arabic, English, French, German, Hindi, Japanese, Korean, Mandarin, Spanish and Urdu in order to address abuses globally. The Contractual Compliance team is executing on a phased plan to enhance its systems and capabilities in advance of the entry of new gTLDs into the domain

name system. For example, the Contractual Compliance department is designing proactive audit programs for contracted registries and registrars, with full time staff dedicated to audit activities. The Contractual Compliance department has released detailed information on its processes and approach, see <http://www.icann.org/en/resources/compliance/approach-processes>, and will continue to provide information to the community on its improvements.

The evaluation fees are intended to be revenue neutral. That is, all of the fees will go to the evaluation and program development effort. The application fees were set to cover the costs of performing the required evaluations, not to contribute generally to ICANN's operations. Because of the cost recovery nature of the New gTLD application fee, ICANN is not able to commit that portions of the fees received will be allocated to the Contractual Compliance department. However, building on Contractual Compliance is a priority in the FY13 budget that was approved in June 2012 (see <http://www.icann.org/en/about/financials/adopted-opplan-budget-fy13-24jun12-en.pdf>), and the amount budgeted (US\$6.09 million) for Contractual Compliance activities in FY13 is over US\$2.2 million higher than the amount forecast in FY12. Though ICANN cannot use the New gTLD Program fees to increase its investments in Contractual Compliance activities, ICANN is already demonstrating its commitment to invest additional operating funds to the Contractual Compliance function. ICANN will continue to deliver on that commitment.

There is the possibility that excess funds will remain after ICANN completes the processing of new gTLD applications. ICANN has already committed that it will publicly report the accounting of the fees generated by the new gTLD application process, and if excess funds remain, there will be a transparent process for the determination of how those funds are spent. This will be a community discussion, and the ICANN community will provide input to ICANN on what the best use of those funds may be. Ultimately, the community may determine that some funds are appropriately used to strengthen the Contractual Compliance department, but that is not a commitment that ICANN is able to make at this time.

Registrar Accreditation Agreement Amendments

Finally, you requested an update on the ongoing work on amendments to the Registrar Accreditation Agreement: *We are also interested in receiving details about ICANN's ongoing negotiations to renew the Registrar Accreditation Agreement, including what additional security and anti-fraud measures the new agreement may contain.*

ICANN Response: Since February 2012, when ICANN last provided information to you on the status of the negotiations, negotiations have continued to progress to reach amendments to the Registrar Accreditation Agreement (RAA) with ICANN-Accredited Registrars. ICANN and the registrars have reached agreement in principle on many issues that were recommended by representatives of law enforcement authorities, including the creation of a point of contact to handle claims of registration abuse,



requirements for public disclosure of certain new points of information about registrars, and the creation of a privacy/proxy accreditation agreement. ICANN and the registrars also appear to be in agreement in principle on including heightened compliance tools in the new RAA, including new grounds for termination and a commitment for registrars to self-report compliance with the agreement.

ICANN and the registrars engaged in intense conversation with the ICANN community at ICANN's public meeting in Prague in June 2012 to help address some of the remaining areas of focus for the negotiations, such as the verification of registrant data and the requirements for retention of points of data as identified by the law enforcement authorities. ICANN has also identified security-related obligations, such as supporting DNSSEC, as part of its negotiating position. These negotiations have continued and it appears that new areas of agreement are emerging. To further the negotiations, ICANN and the registrars will be meeting with representatives of the GAC and law enforcement this week. We expect the progress to continue.

Conclusion

ICANN remains committed to a preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet, seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.

Sincerely,

A handwritten signature in black ink, appearing to read "Fadi Chéhade", written over a horizontal line.

Fadi Chéhade
President & CEO

cc:

Steve Crocker, Chairman, ICANN Board of Directors
The Honorable Rebecca M. Blank, Acting U.S. Secretary of Commerce
The Honorable Lawrence E. Strickling, Assistant Secretary for Communications and Information, National Telecommunications and Information Administration, U.S. Department of Commerce
The Honorable Victoria A. Espinel, U.S. Intellectual Property Enforcement Coordinator
The Honorable Jon Leibowitz, Chairman, U.S. Federal Trade Commission

ATTACHMENT 2

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Internet Corporation for Assigned Names and Numbers

Trademark Clearinghouse Update

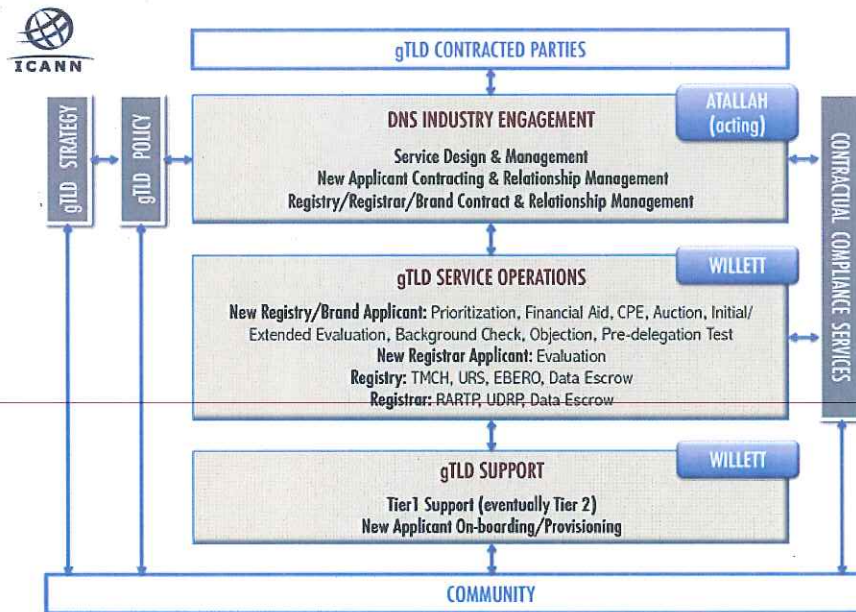
by Fadi Chehadé on November 16, 2012

This week, I met with a group of stakeholder representatives to work with ICANN staff to complete implementation discussions on the Trademark Clearinghouse and its associated rights protection mechanisms. As I wrote in my [previous post from Brussels](#), these implementation meetings addressed the following topics:

- The recent IPC/BC proposal for [Improvements and Enhancements to the RPMs for new gTLDs](#) [PDF, 68 KB], strictly focusing on implementation versus policy issues.
- The business and contractual framework for the Clearinghouse.
- Implementation architecture for Sunrise and Trademark Claims.

Representatives from the Business, Intellectual Property, and ISP constituencies, the Noncommercial, Registrars, and Registries stakeholder groups, and the At Large Advisory Committee joined these discussions in the spirit of reaching implementation solutions. They focused strictly on finding common ground and to advance the discussion on implementation solutions; they were not policy-making meetings.

To kick off the discussion, I introduced an overview of the gTLD Services department ICANN is building, to include staff resources working on DNS industry engagement, gTLD service operations, and gTLD support.



Until the first new gTLD is delegated, Akram Attalah and I will personally oversee the whole New gTLD Program.

BC/IPC Proposals

The group listened and considered the rationale behind the following eight proposals made recently by the BC/IPC:

1. Extend Sunrise Launch Period from 30 to 60 days with a standardized process.
2. Extend the TMCH and Claims Notices for an indefinite period; ensure the process is easy to use, secure, and stable.
3. Complete the URS as a low cost alternative and improve its usefulness – if necessary, ICANN could underwrite for an initial period.
4. Implement a mechanism for trademark owners to prevent second-level registration of their marks (exact matches, plus character strings previously determined to have been abusively registered or used) across all registries, upon payment of a reasonable fee, with appropriate safeguards for registrants with a legitimate right or interest.
5. Validate contact information for registrants in WHOIS.
6. All registrars active in new gTLD registrations must adhere to an amended RAA for all gTLD registrations they sponsor.
7. Enforce compliance of all registry commitments for Standard applications.
8. Expand TM Claims service to cover at least strings previously found to have been abusively registered or used.

The group determined that items 5, 6, and 7 above were already under consideration on other tracks and those were deferred for this discussion.

The group discussed a possible decision tree as a tool for considering whether proposed changes were appropriate for policy or implementation processes. ICANN's policy team will continue to advance this decision tree with the community in a formal way, to create and document these decision-making mechanisms.

For this meeting, the group decided to focus primarily on finding the right solutions, and then later to

address how the solutions should be considered, adopted, or implemented. In addition, we acknowledged the need to address separately how elements of these solutions might apply to legacy gTLDs, but did not make this a pre-requisite for developing the strawman solution.

Strawman Model

For the remaining five proposed items, the key points identified were:

- Duration of the Sunrise and Claims services
- Scope of the trademarks to be included in Trademark Claims
- Establishment of a second-level blocking mechanism with safeguards for registrants

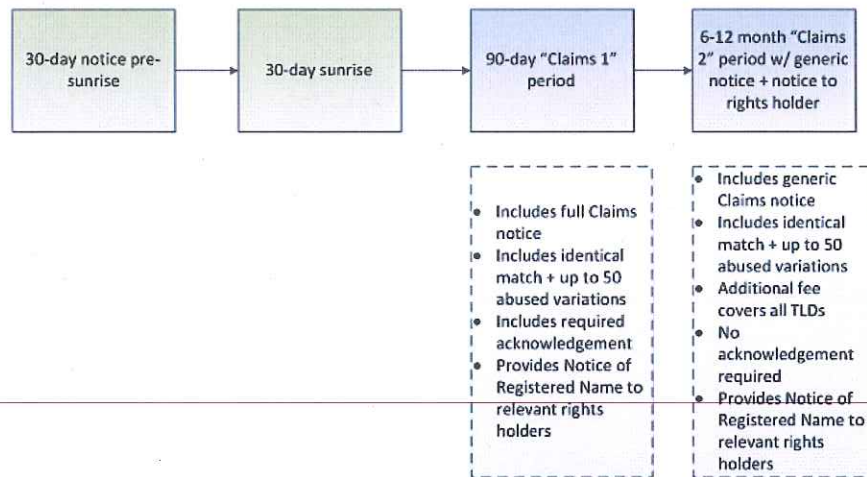
The group discussed/collaborated on a possible strawman solution addressing a number of these elements.

Feature	Current Applicant Guidebook	Strawman Solution
Sunrise period	30 days	30-day sunrise + 30-day advance notification
Trademark Claims period	60 days	90 days + option of additional "Claims 2" period for 6-12 months
Scope of Trademark Claims	Identical Match	Identical Match + up to 50 abused variations of trademark

In the strawman model:

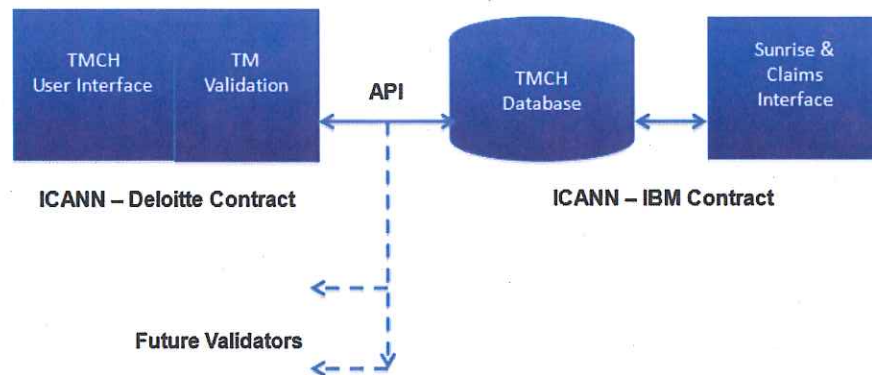
- All new gTLD operators will publish the dates and requirements of their sunrise periods at least 30 days in advance. When combined with the existing (30-day) sunrise period, this supports the goal of enabling rights holders to anticipate and prepare for upcoming launches.
- A Trademark Claims period, as described in the Applicant Guidebook, will take place for 90 days. During this "Claims 1" period, a person attempting to register a domain name matching a Clearinghouse record will be displayed a Claims notice (as included in the Applicant Guidebook) showing the relevant mark information, and must acknowledge the notice to proceed. If the domain name is registered, the relevant rightsholders will receive notice of the registration.
- Rights holders will have the option to pay an additional fee for inclusion of a Clearinghouse record in a "Claims 2" service where, for an additional 6-12 months, anyone attempting to register a domain name matching the record would be shown a Claims notice indicating that the name matches a record in the Clearinghouse (but not necessarily displaying the actual Claims data). This notice will also provide a description of the rights and responsibilities of the registrant and will incorporate a form of educational add-on to help propagate information on the role of trademarks and develop more informed consumers in the registration process.
- Where there are domain labels that have been found to be the subject of previous abusive registrations (e.g., as a result of a UDRP or court proceeding), a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names would be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). Attempts to register these as domain names will generate the Claims notices as well as the notices to the rights holder.
- Possible blocking mechanisms were discussed, but were not included in the strawman model.

These phases are outlined here:



Contractual Framework

I provided an update on the expected contractual framework for operation of the Clearinghouse. As announced earlier this year, ICANN staff is working with Deloitte, IBM, and CHIP to deploy the Clearinghouse. The structure was re-designed to give ICANN maximum flexibility and the ability to provide the best possible stewardship of the database.



Technical Session

The group reviewed and discussed a set of questions related to the functional specifications of the interface between the Clearinghouse and registries and registrars. We made significant progress and will publish the results of the discussion on the [tmch-tech mailing list](#). We plan to continue consultations with the community on the remaining questions.

Next Steps

We will have follow-up informational calls in November with the group to do three things. (1) Review any additional feedback from the stakeholder groups, (2) Convey staff's view on a path forward on some or all elements of the strawman solution, and (3) Convey additional details on the Trademark Clearinghouse contracts.

We are now firmly focused on moving forward with Trademark Clearinghouse implementation to ensure that the New gTLD Program is launched in accordance with our targets.

Next, I will focus on URS and RAA.

Thank you to all the stakeholder groups for the many hours of hard work!

Sincerely,

Fadi

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Werner Staub [11.18.12 at 5:06 am](#)

If the foundations are bad, it does not help to build nicer features on the top of them.

Don't get me wrong. The hand-picked "stakeholder representatives" identified some good ideas. I like the ideas numbered 1 to 8 in Fadi's posting. That does not mean they are sufficient. The TMCH is still fundamentally on the wrong footing.

The "benevolent monarch" approach to setting up the TMCH should stop here. I was good Fadi refused to blindly sign the proposed (and secret) TMCH contracts. But there is no point in replacing a murky process with an equally opaque one.

ICANN still wants to give Deloitte a world-wide monopoly. The new proposal simply creates two monopolies (one for Deloitte and one for IBM). That is even worse than before, requiring tripartite ICANN-Deloitte-IBM negotiations even for tiny improvements.

As a monopoly, the TMCH will not only be expensive and dysfunctional, it will do more harm than good.

A monopolistic TMCH is also completely unjustified, even on the grounds of "urgency". No offense to Deloitte and IBM, ICANN staff, the hand-picked "representatives" and Fadi: all have seem to have lost sight of the cause. The purpose is to build infrastructure. Handing out rents and fiefdoms can be a way to get a job done, but the privileges should never be the objective. If handouts are used, keep them small, reversible and subject to competition.

It is easy to build a distributed system with competitive TMCH providers. Actually, it is easier than the monopolistic approach. ICANN managed to do this for the UDRP dispute resolution service providers. Why is it unable to do the same for TMCH providers?

If there are concerns with timelines, we can start with one TMCH provider and add more of them within months. The essence is to have competition and diversity between them. In the medium term, there should be at least 10 TMCH providers instead of just Deloitte. But the system must be built from the start to allow multiple TMCH providers.

Another concern is the strange silence on data ownership. Why? Has ICANN already sold out to Deloitte? I hope not. All TMCH databases must be ICANN's property. Providers must be required to deposit it with an escrow agent. Each TMCH provider can of course be escrow agent for other TMCH providers.

Next is data “confidentiality”. By definition, trademarks are not confidential. In certain cases, a new trademark registration needs to remain non-discoverable for some time, lest bad actors misuse its discovery to register it in other jurisdictions. But the TMCH providers should only flag a record as non-discoverable for a limited period, such as 2 years after registration of the underlying mark, and only upon express request by the trademark holder.

Finally, the technical approach. First and foremost, it must support the distributed competitive model. That can easily be done if the TMCH uses the DNS.

The only thing needed is a central zone file, containing NAPTR pointers to each of the TMCH providers holding data regarding a given character string. The TMCH providers themselves can distribute the data with several methods, such as DNS NAPTR records, web services or file distribution. I insist: not using the DNS for the TMCH would be as if a forklift manufacturer used ox carts inside its factories.



[Maria Farrell](#) 11.19.12 at 4:26 am

Thank you for the update, Fadi.

As this was a closed, invitation-only meeting in an organisation whose DNA is openness and transparency, I would like to request that the names and affiliations of the individuals participating in the meeting be published.

I am concerned that simply listing the interests represented gives an inaccurate picture of the people present and wrongly suggests that this was a balanced meeting. Specifically, there was a single non-commercial representative present for only part of the meeting, and another dialing in whilst multiple (a dozen?) IP and business constituency representatives attended.

Given that the individuals representing the partisan IPC/BC proposal greatly out numbered other groups, it is only fair for the community at large to have the necessary information to make up its own mind about the numerical imbalance of invited participants.



[Veseveus](#) 11.29.12 at 3:59 pm

Im seeing on the other boards that the ipclearinghouse doesnt own ipclearinghouse.com. Is that a good idea?

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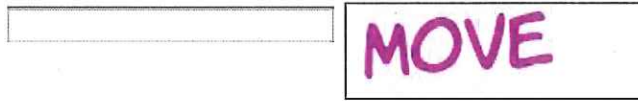
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ATTACHMENT 3

Trademark Clearinghouse: Strawman Solution

29 November 2012

(updated 3 December 2012 for clarification and list of meeting participants)

Summary

ICANN has recently convened a series of meetings with a group of stakeholder representatives to work to complete implementation discussions on the Trademark Clearinghouse and its associated rights protection mechanisms. Members of multiple GNSO constituencies participated in these discussions. The group collaborated on a possible “strawman solution” addressing a number of the elements in a [set of recommendations](#) by the Intellectual Property and Business Constituencies of the GNSO. The discussions on this model included significant compromise and accommodation by the participants.

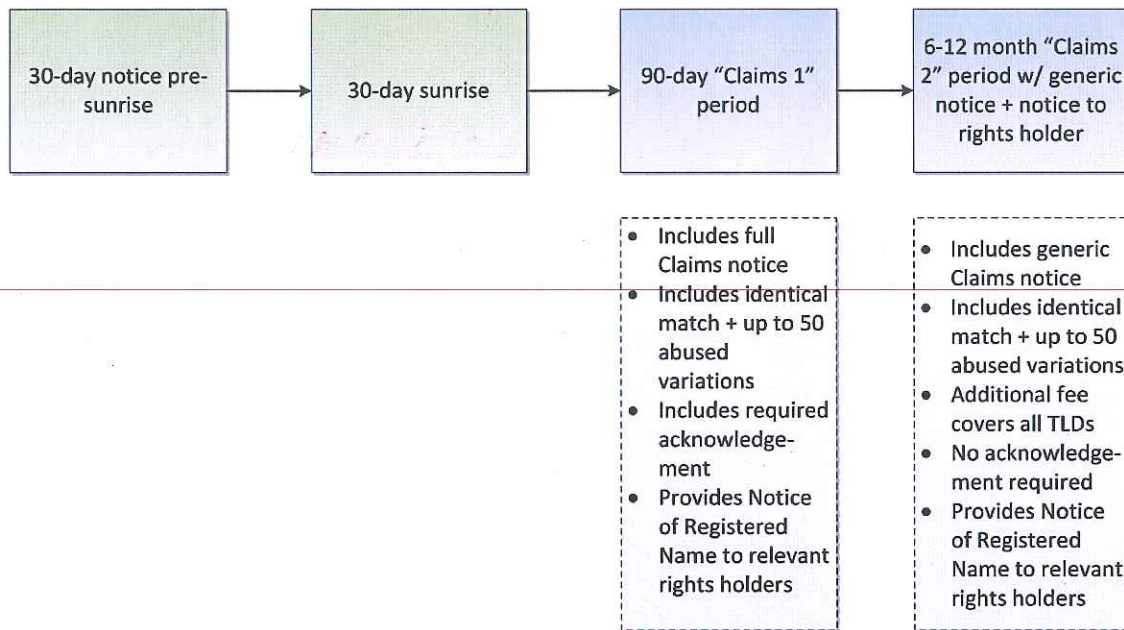
The strawman solution includes a proposed implementation of Sunrise and Trademark Claims services that balances and addresses the concerns of the various parties. These services affect a variety of stakeholders: registries, registrars, trademark holders, domain name registrants, and others. Accordingly, the interests of these parties were all considered to devise an optimal implementation. This strawman solution is now being posted for public comment.

In the strawman solution:

The [Sunrise Period](#) features a 30-day notice period in advance, to facilitate awareness and enable effective participation. The required 30-day sunrise period remains as included in the Applicant Guidebook.

The [Trademark Claims](#) period as described in the Applicant Guidebook is extended to 90 days (i.e., the first 90 days of general registration in the TLD). There is an additional period during which rights holders may elect to participate in a “Claims 2” service for an additional fee. The “Claims 2” process is a lighter-weight version of Trademark Claims, which includes a generic notice and does not require an acknowledgement of the notice from a domain name registrant. For purposes of both Claims services, rights holders are able to submit documentation for domain name strings previously determined to have been abusively registered or used, which can be associated to a verified trademark record in the Clearinghouse. These names would also be subject to Trademark Claims.

These stages are depicted below:



Under this model, trademark holders have an expanded set of tools from which to choose.

The Strawman Model

The model includes the following elements:

1. All new gTLD operators will publish the dates and requirements of their sunrise periods at least 30 days in advance. When combined with the existing (30-day) sunrise period, this supports the goal of enabling rights holders to anticipate and prepare for upcoming launches.
2. A Trademark Claims period, as described in the Applicant Guidebook, will take place for 90 days. During this "Claims 1" period, anyone attempting to register a domain name matching a Clearinghouse record will be displayed a Claims notice (as included in the Applicant Guidebook) showing the relevant mark information, and must acknowledge the notice to proceed. If the domain name is registered, the relevant rights holders in the Clearinghouse will receive notice of the registration.

Example: The trademark "EXAMPLE" is submitted to the Clearinghouse and the record is verified. An individual attempts to register the domain name "EXAMPLE.TLD" and is shown a Claims Notice (as included in the Applicant Guidebook) including the mark information. The prospective domain name registrant must acknowledge the Claims Notice before proceeding with the registration. If the registrant chooses to proceed, the rights holder will receive a notice that "EXAMPLE.TLD" has been registered.

3. Rights holders will have the option to pay an additional fee for inclusion of a Clearinghouse record in a "Claims 2" service where, for an additional 6-12 months, anyone attempting to register a

domain name matching the Clearinghouse record would be shown a Claims notice indicating that the name matches a record in the Clearinghouse (but not necessarily displaying the actual Claims data). This notice will also provide a description of the rights and responsibilities of the registrant and will incorporate a form of educational add-on to help propagate information on the role of trademarks and develop more informed consumers in the registration process.

Example: The trademark "EXAMPLE" is submitted to the Clearinghouse and the record is verified. An individual attempts to register the domain name "EXAMPLE.TLD" and receives a Claims notice with information about the rights and responsibilities of the registrant with regard to trademarks and domain names. If the name is registered, the rights holder will receive a notice that "EXAMPLE.TLD" has been registered.

4. Where there are domain labels that have previously determined to have been abusively registered or used (e.g., as a result of a UDRP or court proceeding), a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names may be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). Attempts to register these as domain names will generate the Claims notices as well as the notices to the relevant rights holders (for both Claims 1 and 2).

Example: The trademark "EXAMPLE" is submitted to the Clearinghouse and the record is verified. The rights holder also submits evidence of a UDRP case where registration of the string "EXAAMPLE" in a domain name was found to meet the three-part test for a successful UDRP complaint based on the trademark "EXAMPLE." This domain string "EXAAMPLE" is now associated with the Clearinghouse record for the "EXAMPLE" trademark for purposes of Trademark Claims. During the Trademark Claims period, anyone attempting to register "EXAMPLE.TLD," as well as anyone attempting to register "EXAAMPLE.TLD," will receive a Claims Notice requiring acknowledgement. If the rights holder chooses, he may pay an additional fee for an extended "Claims 2" service, which will provide a notice but not require acknowledgement. In both cases, if "EXAAMPLE.TLD" is registered, the rights holder will receive a notice that "EXAAMPLE.TLD" has been registered.

Proposal for Limited Preventative Registration Mechanism

During the stakeholder meetings on Clearinghouse implementation, there was discussion of a possible preventative mechanism that would be available for rights holders in new gTLDs. This mechanism was not included in the strawman, but remains a high priority item for the IPC/BC. There was not support among non-IPC/BC participants for solutions to the issue of second level defensive registrations. After hearing concerns on this issue, members of the IPC/BC have provided a description of a preventative mechanism, the "Limited Preventative Registration," which is being published for public comment.

The Limited Preventative Registration would be a mechanism for trademark owners to prevent second-level registration of their marks (exact matches, plus character strings previously determined to have been abusively registered or used) across all gTLD registries, upon payment of a reasonable fee, with appropriate safeguards for registrants with a legitimate right or interest.

Process Note

Discussions during the stakeholder meetings focused strictly on finding common ground on implementation solutions; they were not policy-making meetings. The participants focused primarily on finding the right solutions, allowing for later steps to address how the solutions should be considered, adopted, or implemented.

ICANN has reviewed each of the elements of the strawman solution to identify a way forward, paying special attention to determining whether each properly belongs in a policy or implementation process. We did not find that any element of the strawman was inconsistent with the policy advice from GNSO recommendation 3: *Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law*. However, the analysis of the various elements yielded different recommended steps for consideration, as described below.

Sunrise Notice Requirement. Our analysis is that the addition of the required 30-day notice period for Sunrise falls clearly into the realm of implementation. The policy advice did not recommend specific time periods, and this is a reasonable means to help address the communications concerns of rights holders, especially in light of the high volume of gTLD applications.

Trademark Claims. The extension of Trademark Claims from 60 to 90 days can also be considered implementation, as it is a matter of continuing a service that is already required. The addition of a “Claims 2” process could also fall into the category of implementation given that it is an optional, fee-based service for rights holders, and is more lightweight than what registries and registrars will have implemented in the Trademark Claims 1 period. This service is envisioned to benefit both consumers and trademark holders, and is consistent with the objectives of the Trademark Claims service developed by the community. To the extent that there are additional costs incurred by registries and registrars, it is anticipated that these fees can be offset when the process is implemented.

Scope of Trademark Claims. The inclusion of strings previously found to be abusively registered in the Clearinghouse for purposes of Trademark Claims can be considered a policy matter. This proposal provides a path for associating a limited number of additional domain names with a trademark record, on the basis of a decision rendered under the UDRP or a court proceeding. Given the previous intensive discussions on the scope of protections associated with a Clearinghouse record, involving the IRT/STI, we believe this needs guidance from the GNSO Council.¹

¹ The originally posted document stated that: “The inclusion of strings previously found to be abusively registered in the Clearinghouse for purposes of Trademark Claims can be considered implementation, as it provides a path for associating a limited number of additional domain names with a trademark record. This is consistent with the policy advice that trademark rights should be protected, and, given that the inclusion of such names would be only on the basis of a decision rendered under the UDRP or a court proceeding, the process would merely take into account names for which the issues have already been balanced and considered. However, given the previous intensive discussions on the scope of protections associated with a Clearinghouse record, involving the IRT/STI, we believe this needs guidance from the GNSO Council.” This language appeared to create ambiguity as to the nature of the analysis, and has been updated as above.

The strawman model and proposal for Limited Preventative Registrations are being provided to the GNSO Council so that it may provide guidance on these items.

Comments are requested on the feasibility and benefits of the model, as well as suggestions for modification to help achieve the objectives of an effective set of rights protection mechanisms in the New gTLD Program.

As noted above, the strawman model was discussed by participants selected by the respective stakeholder groups. Those individuals designated by the groups were:

(ALAC): Alan Greenberg, Evan Leibovitch

(BC): Marilyn Cade, Bryce Coughlin, Steve Del Bianco, Gerald DePardo

(IPC): J. Scott Evans, Kathryn Park, Kristina Rosette, Fabricio Vayra

(ISPCP): Sarah Deutsch, Tony Harris, Tony Holmes, Mike O'Connor

(NCSG): Robin Gross, Kathy Kleiman, Konstantinos Komaitis, Wendy Seltzer

(Registrar SG): Ben Anderson, James Bladel, Jeff Eckhaus, Matt Serlin

(RySG): Bret Fausett (NTAG), Jeff Neuman, Jon Nevett (NTAG), Antony Van Couvering (NTAG)

Also in attendance were: Martin Sutton (brand TLDs/single registrant TLDs), Vicky Folens and John Hudson (Deloitte), Wim Fabri and Joris Goiris (IBM), and ICANN staff (Francisco Arias, Akram Atallah, Fadi Chehadé, John Jeffrey, Karen Lentz, Gustavo Lozano, Margie Milam, David Olive, Christine Willett).

ATTACHMENT 4

From: Fadi Chehade [<mailto:fadi.chehade@icann.org>]
Sent: 04 December 2012 22:47
To: Jonathan Robinson
Cc: Margie Milam; David Olive
Subject: TMCH

Dear Jonathan,

As reported in my recent blog on the Trademark Clearinghouse (see: <http://blog.icann.org/2012/11/a-follow-up-to-our-trademark-clearinghouse-meetings/>), the recent implementation TMCH related discussions led to the development of a strawman model to address some of the proposed improvements requested by the BC/IPC. I am very pleased with the efforts shown by the participants in these discussions, as they reflect a willingness to explore improvements to the TMCH and the rights protection mechanisms available in new GTLDs.

I am seeking policy guidance from the GNSO Council on two items as part of the next steps for the implementation of the TMCH, namely, the Strawman Proposal and the IPC/BC proposal for limited defensive registrations. Each of these documents are posted for public comment (see: <http://www.icann.org/en/news/public-comment/tmch-strawman-30nov12-en.htm>) to allow the ICANN community the opportunity to comment on these proposals. Specifically, policy guidance is sought on the portion that pertains to the expansion of the scope of the trademark claims, although comments on any aspect of the Strawman Model is welcome in the event the Council is interested in broadening its response. The specific proposal is that:

Where there are domain labels that have been found to be the subject of previous abusive registrations (e.g., as a result of a UDRP or court proceeding), a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names would be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). Attempts to register these as domain names will generate the Claims notices as well as the notices to the rights holder.

Not included in the Strawman Model is the IPC/BC proposal for a limited preventative registrations. In general, there was not support among non-IPC/BC participants for solutions to the issue of second level defensive registrations among the participants in the TMCH meetings. After hearing concerns regarding this issue, members of the IPC/BC provided a description of a preventative mechanism, the "Limited Preventative Registration," which has also been published for public comment. As this issue is relevant to a request from the New GTLD Program Committee's April resolution where it requested "the GNSO to consider whether additional work on defensive registrations at the second level should be undertaken"(2012.04.10.NG2), I am seeking GNSO Council feedback on this IPC/BC proposal as well.

It would be ideal if the GNSO Council could take up these issues at its December meeting.

Finally, addressing some of the criticisms on the process used by Staff in convening these meetings, I hope that you can appreciate that Staff is not circumventing the GNSO processes. The Strawman Model and my blog posting always clarified that this request to the GNSO Council was coming. One of my goals as CEO is to enhance collaboration in the ICANN community as it tackles difficult issues. I truly believe that the development of strawman

proposals on this and other issues can be a useful tool to inform policy and implementation discussions. I hope that you will consider this request in that light.

We look forward to the Council's reply to this request.

Best Personal Regards,

Fadi Chehade
President and CEO
ICANN

ATTACHMENT 5



28 February 2013

Mr Fadi Chehade
President and CEO, ICANN

Dear Fadi,

Thank you for your e-mail of 4 December 2012, in which you requested the policy guidance of the GNSO Council on the "Strawman Proposal" and the IPC/BC proposal for limited defensive registrations.

According to your request:

"I am seeking policy guidance from the GNSO Council on two items as part of the next steps for the implementation of the TMCH, namely, the Strawman Proposal and the IPC/BC proposal for limited defensive registrations ... Specifically, policy guidance is sought on the portion that pertains to the expansion of the scope of the trademark claims, although comments on any aspect of the Strawman Model is welcome in the event the Council is interested in broadening its response. The specific proposal is that:

Where there are domain labels that have been found to be the subject of previous abusive registrations (e.g., as a result of a UDRP or court proceeding), a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names would be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). Attempts to register these as domain names will generate the Claims notices as well as the notices to the rights holder.

Not included in the Strawman Model is the IPC/BC proposal for a limited preventative registrations. In general, there was not support among non-IPC/BC participants for solutions to the issue of second level defensive registrations among the participants in the TMCH meetings. After hearing concerns regarding this issue, members of the IPC/BC provided a description of a preventative mechanism, the "Limited Preventative Registration," which has also been published for public comment. As this issue is relevant to a request from the New GTLD Program Committee's April resolution where it requested "the GNSO to consider whether additional work on defensive registrations at the second level should be undertaken"(2012.04.10.NG2), I am seeking GNSO Council feedback on this IPC/BC proposal as well."

While our GNSO member constituencies and stakeholder groups have commented at their discretion regarding one or more elements of the Strawman Model, the Council here addresses the issues identified in your e-mail of 4 December 2012, and as you so invited, others in the Strawman. The content of this letter has been the subject of considerable Council attention is supported by the majority of GNSO stakeholder groups.

Before providing specific input, the Council respectfully notes that its primary role is to administer the policy work of the GNSO and to reflect the outcomes of that work in policy recommendations to the ICANN Board and community. The Council is not oriented toward policy guidance, although we do recognize a need to respond to you and others in forms other than the PDP,¹ and we will endeavour to do so in consultation with the stakeholders we represent.

As context for our input, councillors are of course aware of the community's current examination of "policy vs. implementation" and encourage further dialogue on this matter. For the purpose of this letter, however, most councillors applied a reasonable test to make distinctions between the two categories, by asking the following question: Does a proposal impose obligations on parties outside of those contracted with ICANN (who are predominantly responsible for implementation of the proposals)? If so, generally speaking, the issue is likely to be a matter of policy. If the matter is a step in the progression toward realization of the decided-upon policy, and unlikely to impact a wider audience, it is more likely "implementation."

Expansion of trademark scope in TLDs

First, the Council draws a distinction between the launch of new gTLDs, where policy has been set and agreed to, and a longer-term discussion about future amended or additional rights protection mechanisms (RPMs), which would apply to all gTLDs.

The majority view of the Council is that the proposals on changes to the TMCH implementation amount to an expansion of trademark scope. We believe that this, together with the potential impact of such proposals on the full community, make them a matter of policy, not implementation. The majority of the Council believes - consistent with what the Council unanimously agreed previously - that protection policies for new gTLDs are sufficient and need not be revisited now. If the community seeks to augment existing RPMs, they are appropriately the subjects of future Council managed GNSO policy activity.

Indeed, ICANN Chairman Steve Crocker and other Board members set an expectation in Toronto that new RPM proposals should have the Council's support to be considered now:

"Three more items. The rights protection in new gTLDs. The Intellectual Property Constituency and business constituency reached consensus on further mechanisms for new gTLD rights protection and agreed to socialize these to the rest of the GNSO and the Board looks forward to receiving input on these suggestions from the GNSO. So that is our plan, so to speak, which is we will continue to listen and wait for this to come up. "

<http://toronto45.icann.org/meetings/toronto2012/transcript-public-forum-18oct12-en.pdf>, at p.12.

The Council has carefully considered and reviewed these proposals and most do not have the support of the Council's majority.

¹ As we recently wrote (see <http://gns0.icann.org/mailling-lists/archives/council/msg14165.html>) to the GAC, providing policy advice or guidance is a new challenge for the Council, as we have no existing, standard mechanism to provide formal policy advice, except through a PDP.

In addition, in the context of ICANN's goal to advance competition and choice in the domain name industry, the Council finds that the RPM proposals, or other measures that could impact the operation of new gTLDs, deserve GNSO policy development to ensure applicability to all gTLDs, new and existing. This view is consistent with the NTIA's recent letter to ICANN, which states in part:

"We encourage ICANN to explore additional trademark protections across all TLDs, existing and new, through community dialogues and appropriate policy development processes in the coming year."

<http://www.icann.org/en/news/correspondence/strickling-to-crocker-04oct12-en.pdf>

On the Modification of Sunrise

The Strawman proposes that "All new gTLD operators will publish the dates and requirements of their sunrise periods at least 30 days in advance. When combined with the existing (30-day) sunrise period, this supports the goal of enabling rights holders to anticipate and prepare for upcoming launches."

The majority of the Council supports this update to the sunrise process as a matter of implementation.

On the Extension of Claims 1

The majority of the Council considers the community's standing agreement for a 60-day Claims 1 period to be settled.

The Council's rationale is that the Board previously approved the timing of trademark claims as "60 days from launch." It is important to note here that the presence of both sunrise and trademark claims in the new gTLD program already provides extended protection beyond previously agreed policy, as the Council previously voted unanimously to require either sunrise or claims, but not both.

However, given that Claims 1 is currently planned to be implemented for 60 days, the majority of the Council does not object to the view that the extension of Claims 1 from 60 to 90 days is a change to an existing implementation decision.

On Claims 2

The Claims 2 proposal is a longer-term RPM with potentially significant impacts and should correctly be subject the subject of a PDP, in order to explore the complex issues therein. This advice is based on the following:

1. Claims 2 is a new RPM, not implementation of an agreed-to RPM. It is fundamentally different from the 60- (or the proposed 90-) day claims service.
2. Beyond this important distinction, there are many unanswered questions about a potential Claims 2 process. Are potential registrants legitimately entitled to non-

infringing registrations and unfairly denied to them? How would payments be made and allocated? How do registries and registrars adapt their technical systems to accept the many more commands received over nine to ten additional months? Is the burden as currently proposed (registries and registrars assume the cost and risk to build these systems with no predictable method of cost recovery) fair to all parties? What should the claims notice say? (In this regard, the Council respectfully points out that Claims 2 should not be characterized as "more lightweight.") The purpose of the GNSO Council is to collaboratively manage the work to answer these types of questions before recommending policy.

On addition of names to TMCH previously subject to UDRP or legal proceeding

The majority of the Council believes this suggestion deserves further examination, not only to protect the interests of rights holders, but also to ensure latitude for free speech through lawful and non-abusive registrations. Councillors respectfully observe that the existence of a domain name in the root system is not necessarily evidence of abuse, and that a subsequent registrant may have legitimate and non-infringing use in mind for a domain name corresponding exactly to a term that was the subject of previous action.

Accordingly, the majority of the council finds that this proposal is best addressed as a policy matter, where the interests of all stakeholders can be considered.

Scope of Trademark Claims

The majority of the Council believes your determination, as documented in your updated blog posting (<http://blog.icann.org/2012/11/trademark-clearinghouse-update/>), that an expansion of trademark claim scope (beyond exact match) is a matter of policy, is correct. It is also consistent with the following section of your letter to Congress:

"It is important to note that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or creator of new rights. Extending the protections offered through the Trademark Clearinghouse to any form of name would potentially expand rights beyond those granted under trademark law and put the Clearinghouse in the role of making determination as to the scope of particular rights. The principle that rights protections 'should protect the existing rights of trademark owners, but neither expand those rights nor create additional rights by trademark law' was key to work of the Implementation Recommendation Team..."

Limited Preventive Registration

Consistent with the forgoing, the Limited Preventative Registration (LPR) proposal, or any other blocking mechanism, also represents a change in policy and therefore should be a matter of Council managed policy work if it is to be considered.

Staff activity and input

The Council appreciates your determination to focus on implementation; the Council expects however that implementation will be of agreed-to issues, and not new proposals, which have not been subject to adequate community review and input and therefore could, have potentially unforeseen consequences on competition and choice in the market.

Conclusion

The GNSO Council sincerely thanks you for your request for Council input. The Council takes very seriously the on-going need to guard against rights infringement within the gTLD landscape and recognizes such safeguards as one of the many elements that will advance consumer trust in new gTLDs.

I trust this information is helpful and invite you to contact me with any additional questions.

Yours sincerely,

Jonathan Robinson
Chair, ICANN GNSO Council

ATTACHMENT 6

Memorandum on the Trademark Clearinghouse “Strawman Solution” 20 March 2013

The Trademark Clearinghouse [Strawman Solution](#) was developed by community stakeholders in November 2012, and published for comment in December 2012. The discussion leading to the Strawman proposal was convened to address feedback and comments from several stakeholders in relation to the rights protection mechanisms in the New gTLD Program.

The intention in holding these discussions was to facilitate participation from each of the GNSO stakeholder groups while enabling a focused discussion, so that a proposal could be provided for community review. The “Strawman solution” was [posted for public comment](#) on 30 November 2012. The GNSO was [requested to provide guidance](#) on the proposals; this [was provided](#) on 28 February 2013.

There was significant interest in these proposals, and ICANN reviewed all feedback received to determine which elements of the Strawman, if any, should be implemented. An additional thread in the input received was whether each element should be considered a policy or an implementation matter. These views were also considered carefully, in light of the Strawman’s accordance with current policy guidance that existing legal rights should be protected, and the GNSO’s guidance on each of the elements.

Each element of the Strawman proposal was reviewed and considered in detail to balance the feedback received and determine the appropriate next steps, as described below.

30-Day Notice Requirement for Sunrise

The first element of the Strawman model was a proposed requirement that all new gTLD operators publish the dates and requirements of their sunrise periods at least 30 days in advance.

Feedback indicated that this is generally viewed as an implementation detail, and was supported as beneficial to rights holders to anticipate and prepare for upcoming TLD launches. Based on this analysis, ICANN intends to proceed with implementing this aspect of the proposal.

90-Day Trademark Claims Period

The second element of the Strawman model was an extension of the current Trademark Claims period, as described in the Applicant Guidebook, from 60 to 90 days.

During the Trademark Claims period, anyone attempting to register a domain name matching a Clearinghouse record will be displayed a Claims notice showing the relevant mark information, which must be acknowledged before the registration can proceed. If the domain name is registered, the rights holder then receives a notice of the registration.

In practice, providing for 30 additional days of an existing service seems to be a reasonable implementation matter, and the feedback generally viewed this as an implementation detail. Guidance provided from the GNSO Council noted that there would not be an objection to making this extension to the Claims period as an implementation decision.

The balancing of considerations inherent in the Claims service as agreed upon in the community discussions is unchanged, and the expected benefits of the Claims service as designed will still exist. The extension is a continuation of a service that is already required, and an extended period appears to be a reasonable response to the large number of TLDs expected to be entering the market.

Based on this analysis, ICANN intends to proceed with implementing this aspect of the proposal.

Additional “Claims 2” Period

The third element of the Strawman model was a proposal that rights holders have the option to pay an additional fee for inclusion of a Clearinghouse record in a “Claims 2” service for an additional 6-12 months. Anyone attempting to register a domain name matching the record would be shown a general Claims notice including a description of the rights and responsibilities of the registrant, to help propagate information on the role of trademarks and develop more informed consumers in the registration process.

The GNSO advised that this should be a policy discussion rather than an implementation decision. The feedback received via public comment generally indicated a lack of support for the Claims 2 period, either due to concerns about effectiveness or concerns about adopting the proposal without a policy discussion.

Based on this analysis, ICANN does not intend to proceed with implementing this aspect of the proposal at this time.

Trademark Claims Protection for Previously Abused Names

The fourth element of the Strawman model was a proposal that where there are domain labels that have been found to be the subject of abusive registrations (for example, as a result of a UDRP or court proceeding), a limited number (up to 50) of these could be added to a Clearinghouse record. These names would be mapped to an existing record where the trademark has already been verified by the Clearinghouse.

This element of the proposal was referred to the GNSO specifically, as the scope of protection derived from inclusion in the Trademark Clearinghouse was discussed previously. The GNSO advised that this should be a policy discussion rather than an implementation change. The GNSO Council communication also made reference to the stated principle that the Trademark

Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or a creator of new rights.

Having reviewed and balanced all feedback, this proposal appears to be a reasonable add-on to an existing service, rather than a proposed new service. Given that domain names would only be accepted for association with an existing Clearinghouse record, and only on the basis of a determination made under the UDRP or national laws, the proposal would not require any adjudication by the Clearinghouse. Additionally, the provision of notifications concerning associated domain names would not provide sunrise or other priority registrations, nor have a blocking effect on registration of these names by any party.

It is difficult to justify omission of a readily available mechanism which would strengthen the trademark protection available through the Clearinghouse. Given that the proposal relies on determinations that have already been made independently through established processes, and that the scope of protection is bounded by this, concerns about undue expansion of rights do not seem necessary.

Based on this analysis, ICANN intends to proceed with implementing this aspect of the proposal.

Limited Preventive Registration

An additional proposal, the [Limited Preventive Registration \(LPR\) mechanism](#), was not part of the Strawman model but was also [posted for comment](#).

The GNSO Council was requested to provide input on the LPR proposal as it is relevant to a resolution from the New gTLD Program Committee requesting the GNSO to consider whether additional work on defensive registrations at the second level should be undertaken. Guidance received from the GNSO Council noted that the LPR represented a change in policy and therefore should be a matter of Council-managed policy work if it is to be considered.

Given that the LPR proposal does introduce requirements for a new process and is not building on existing mechanisms, it is agreed that introduction of an LPR mechanism would be a substantial change that should arise from broader policy discussions.

Based on this analysis, ICANN does not intend to proceed with implementing the LPR proposal at this time. However, ICANN will continue to encourage the GNSO to proceed with work in this area.

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The full summary and analysis of public comment is available at <http://www.icann.org/en/news/public-comment/tmch-strawman-30nov12-en.htm>.

**2013-06-04-01a-NGPC-Reference Materials-Attachment
C-BGC Recommendation Reconsideration Request 13-
3.pdf**

RECOMMENDATION OF THE BOARD GOVERNANCE COMMITTEE

RECONSIDERATION REQUEST 13-3

16 MAY 2013

On 19 April 2013, the GNSO Noncommercial Users Stakeholders Group (the “NCSG”), through Robin Gross, submitted a reconsideration request (“Request”) to the Board Governance Committee (“BGC”). The Request asked the Board to reconsider the ICANN staff action of 20 March 2013 regarding “Trademark Claims Protection for Previously Abused Names.”

I. Relevant Bylaws.

This Request was submitted under the Bylaws effective 20 December 2012. Article IV, Section 2.2 of that version of ICANN’s Bylaws states in relevant part that any entity may submit a request for reconsideration or review of an ICANN action or inaction to the extent that it has been adversely affected by:

- (a) one or more staff actions or inactions that contradict established ICANN policy(ies); or
- (b) one or more actions or inactions of the ICANN Board that have been taken or refused to be taken without consideration of material information.

When challenging a staff action or inaction, a request must contain, among other things, “a detailed explanation of the facts as presented to the staff and the reasons why the staff’s action or inaction was inconsistent with established ICANN policy(ies).” Bylaws, Art. IV, § 2.6(g).

Dismissal of a request for reconsideration is appropriate if the BGC finds that the requesting party does not have standing because it failed to satisfy the criteria set forth in the Bylaws. Bylaws, Art. IV, § 2.16. These standing requirements are intended to protect the reconsideration process from abuse and to ensure that it is not used as a mechanism simply to

challenge an action with which someone disagrees, but that it is limited to situations where the staff acted in contravention to established policies.

The Request was received on 19 April 2013, which makes it timely under the Bylaws. Bylaws, Art. IV, § 2.5. The Bylaws require that the BGC publicly announce by 19 May 2013 its intention either to decline to consider or to proceed to consider the Request. Bylaws, Art. IV, § 2.9.

II. Background.

In June 2008, the Board adopted the GNSO's policy recommendations on the introduction of new gTLDs. On rights of others, the GNSO recommendation stated:

Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law. Examples of these legal rights that are internationally recognized include, but are not limited to, rights defined in the Paris Convention for the Protection of Industry Property (in particular trademark rights), the Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR) (in particular freedom of expression rights).

ICANN Generic Names Supporting Organisation Final Report Introduction of New Generic Top-Level Domains, at <http://gns0.icann.org/en/issues/new-gtlds/pdp-dec05-fr-part-08aug07.htm>, adopted by the Board at

<http://www.icann.org/en/groups/board/documents/resolutions-26jun08-en.htm>.

On 20 March 2013, ICANN posted a Memorandum regarding the TMCH Strawman Solution (available at <http://newgtlds.icann.org/en/about/trademark-clearinghouse/strawman-solution-memo-20mar13-en.pdf>) that set out the implementation decisions reached on a variety of issues relating to the Trademark Clearinghouse (“Clearinghouse” or “TMCH”). The Clearinghouse, a cornerstone to some of the rights protection mechanisms within the New gTLD

Program, has long been a topic of community conversation. Leading up to the posting of the Memorandum, in November 2012, a group of community stakeholders developed a “Strawman Solution” (or “Strawman”) regarding implementation of the Clearinghouse and its associated rights protection mechanisms. The Strawman proposal was posted for public comment on 30 November 2012, at <http://www.icann.org/en/news/public-comment/tmch-strawman-30nov12-en.htm>. While the Strawman Solution was still out for public comment, via a 4 December 2013 email from ICANN’s President and CEO, ICANN sought the GNSO’s guidance on the proposal.

One of the portions of the Strawman proposal stated: “Where there are domain labels that have previously determined to have been abusively registered or used (e.g., as a result of a UDRP or court proceeding), a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names may be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). Attempts to register these as domain names will generate the Claims notices as well as the notices to the relevant rights holders (for both Claims 1 and 2).” See Strawman at <http://newgtlds.icann.org/en/about/trademark-clearinghouse/strawman-solution-03dec12-en.pdf>, page 3.

On 28 February 2013, Jonathan Robinson, the Chair of the GNSO, submitted a letter to ICANN’s President and CEO regarding the Strawman Solution. See <http://gnsso.icann.org/en/node/36783>. The Chair of the GNSO reported that “the majority view of the Council is that the proposals on changes to the TMCH implementation amount to an expansion of trademark scope. We believe that this . . . make[s] them a matter of policy, not implementation.” (Letter, page 2.) In reference to the previously abused names issue, the GNSO Chair reported that “the majority of the council finds that this proposal is best addressed as a policy matter, where the interests of all stakeholders can be considered.” (Letter, page 4.)

After review of the public comment, ICANN's 20 March 2013 Memorandum set out ICANN's determination on the implementation of all portions of the Strawman proposal. On the "previously abused names" issue, the Memorandum stated:

Having reviewed and balanced all feedback, this proposal appears to be a reasonable add-on to an existing service, rather than a proposed new service. Given that domain names would only be accepted for association with an existing Clearinghouse record, and only on the basis of a determination made under the UDRP or national laws, the proposal would not require any adjudication by the Clearinghouse. Additionally, the provision of notifications concerning associated domain names would not provide sunrise or other priority registrations, nor have a blocking effect on registration of these names by any party.

It is difficult to justify omission of a readily available mechanism which would strengthen the trademark protection available through the Clearinghouse. Given that the proposal relies on determinations that have already been made independently through established processes, and that the scope of protection is bounded by this, concerns about undue expansion of rights do not seem necessary.

Based on this analysis, ICANN intends to proceed with implementing this aspect of the proposal.

Memorandum, at <http://newgtlds.icann.org/en/about/trademark-clearinghouse/strawman-solution-memo-20mar13-en.pdf>, page 3. The NCSG noted its concern with the previously abused names issue in a public comment submitted on 14 January 2013. See <http://forum.icann.org/lists/tmch-strawman/msg00029.html>.

III. The NCSG's Request for Reconsideration.

The NCSG seeks reconsideration of the ICANN staff decision to allow trademark holders to include, along with a Clearinghouse record of a verified trademark, up to 50 names that previously had been found to have been abusively registered or used. The NCSG requests that ICANN "revert[s] back to the 'exact match' trademark protection policy contained in the Applicant Guidebook."

IV. Stated Grounds For The Request.

The grounds for the Request are as follows:

- The previously abused name expansion is a “staff developed policy” in that the “issue at hand is one of policy and not one of implementation.”
- To the extent that staff rejected the GNSO recommendation on this issue, the Bylaws require that a specific procedure be followed, and that was not done here.
- Staff’s action was in contravention of the Affirmation of Commitments, which requires “detailed explanations of the basis of decision, including how comments have influenced the development of policy considerations.”

A. The NCSG Asserted that the Action Resulted in “Staff-Developed Policy.”

Fundamental to the NCSG’s Request is its argument that staff’s decision to allow previously abused names to be added to verified trademark records in the Clearinghouse was a matter of policy, rather than implementation. (Request, page 5.)

In an effort to support its argument, the NCSG first refers to a 19 September 2012 letter from Fadi Chehadé to members of the U.S. Congress, where the President and CEO states that the TMCH “is a repository for existing legal rights” and states that expansion to allow additional forms of the name, such as the mark plus generic term request from the Congress, could “potentially expand rights beyond those granted under trademark law and put the Clearinghouse in the role of making determinations as to the scope of particular rights. The principle that rights protections ‘should protect the exiting rights of trademark owners, but neither expand those rights nor create additional legal rights by trademark law’ was key to the work” of developing the rights protection mechanisms.” (Request, citing 19 September 2012 Letter from Fadi Chehadé, at <http://www.icann.org/en/news/correspondence/chehade-to-leahy-et-al-19sep12-en>.)

Based on this, the NCSG claims that the development of the previously abused names provision “causes the [TMCH] to act precisely in the way Mr. Chehadé claimed it would and should not.... ICANN policy, it was then claimed, simply would not allow for the creation of new legal rights expanding the scope of the trademark law in the context of the [TMCH].” (Request, Page 5.)

The NCSG also argues that various statements made by both ICANN’s GNSO and ICANN’s President and CEO establish the *policy* nature of this decision. For instance, the Strawman proposal states “the inclusion of strings previously found to be abusively registered in the Clearinghouse for purposes of Trademark Claims can be considered a policy matter.” (Request, at page 5, citing Strawman, at page 4.) This line was re-stated in a 26 November 2012 blog post by the President and CEO. (Request, at page 5, citing <http://blog.icann.org/2012/11/a-follow-up-to-our-trademark-clearinghouse-meetings/>.) When the President and CEO requested input from the GNSO on this issue, Mr. Chehadé requested “policy guidance” from the GNSO. (Request, at page 5, citing 4 December 2012 email from Fadi Chehadé at <http://gns0.icann.org/mailing-lists/archives/council/msg13964.html>.) And when replying to Mr. Chehadé, the GNSO Chair stated that “the majority of the council feels that this proposal is best addressed as a policy concern.” (Request, at page 5, citing Letter from Jonathan Robinson.)

B. The NCSG Asserted that the Action Follows “No Known” Policy or Procedure.

The NCSG also claims that the 20 March 2013 decision to allow previously abused names to be added to verified trademarks in the Clearinghouse ignored the GNSO’s input on this issue, was provided without any rationale for ignoring the GNSO Council, and followed “no known established ICANN policy or procedure.” Specifically, the NCSG argues that staff improperly ignored the GNSO’s recommendation by stating that the proposal on previously

abused names “appears to be a reasonable add on to an existing service, rather than a proposed new service.”

C. The NCSG Asserted that the Action Violates the Bylaws Consultation Process and the AoC.

Finally, although the NCSG acknowledges that GNSO policy recommendations do not always have to be accepted, the NCSG claims that the Board is obligated to follow the Bylaws-mandated procedure at Annex A, Section 9 prior to taking action in contravention to the GNSO Council and that no such procedure was undertaken here. (Request, page 6.) In addition, the NCSG asserts that the cross-community deliberation that occurred within the GNSO (either to develop the TMCH standards prior to the Strawman proposal, or in the provision of policy guidance related to the Strawman proposal) was ignored in contravention to the Affirmation of Commitments (“AoC”). (Request, pages 6-7.) In Section 7 of the AoC, ICANN commits to adhere to “cross-community deliberations, and responsive consultation procedures that provide detailed explanations of the basis for decisions, including how comments have influenced the development of policy consideration,” and the NCSG says that this was not done here.

D. How NCSG and Others Will be Adversely Affected.

The NCSG claims that noncommercial users will be materially affected by the staff action because it “presumes” that because a mark was deemed to have been infringed at one time that “every subsequent use of that trademark by every subsequent person is also an infringement.” (Request, page 2.) The NCSG argues that including these previously abused names “does not allow for differentiations in context,” is a “significant departure from the balance struck between trademark holders and noncommercial users of words in domain names,” and “will be particularly injurious to noncommercial users.” (*Id.*) The NCSG further argues that

this will have a “chilling and pre-emptive effect on noncommercial speech” due to the “new legal risks” that prospective registrants will face if a claim process is initiated through the TMCH, “despite [the non-commercial user’s] intended use of the domain being perfectly legal and non-infringing.” (*Id.*) Continuing, the NCSG claims that users may face increased costs and liability under some national laws in seeking to register certain domain names and may face liability. (*Id.*, at page 3.)

The NCSG also claims that those outside of the noncommercial arena will also be adversely affected if this decision stands. First, “small commercial users will face many of the same challenges as noncommercial users.” Second, the NCSG states that this decision will increase Registry Operators’ compliance costs, because it will reduce the number of names available for sale, as well as the costs in lost sales from those who are “frightened away from completing their lawful registration after having received the TMCH infringement notice.” Third, this is a deviation from the Applicant Guidebook, on which applicants relied, and could result in costs based on changes to business plans. Finally, the NCSG argues that allowing the “hierarchical top down staff driven policy” to stand will adversely impact volunteers’ “belief in ICANN’s adherence” to the bottom-up consensus-based multistakeholder model.

V. Request for Stay.

The NCSG does not request a stay in the event the Board “adheres to the reconsideration timeline,” which is expected to allow for this issue to be resolved prior to new TLDs going live. In the event that new TLDs will go live before the Board has an opportunity to complete its review of the Request, a temporary stay may be necessary to prevent the types of injury identified within the Request. (Request, page 4.)

VI. Analysis of the Request.

In our opinion, the fundamental question behind this Request is whether staff's action was one of implementation of existing policy or the creation of new policy. If the staff action is one of creation of new policy, Reconsideration is well-taken here. If the staff action is one of implementation of existing policy, then ICANN's processes were followed, and there is no further merit to the Request. As a result, the BGC will consider whether the action is a creation of new policy or implementation of existing policy. Based upon the record set forth in the Request, it is also our opinion that there is sufficient information to proceed to consideration of this matter now and we conclude that the staff action at issue here was one of implementation of existing policy, and not creation of new policy.

This Request is largely built on two companion premises: (1) there was established policy within ICANN on the Clearinghouse (the "exact match" baseline in the Applicant Guidebook) and staff changed this policy through inappropriate procedures; and/or (2) even if there was not existing policy on the Clearinghouse, the questions of which records are appropriate for inclusion within the Clearinghouse could be a matter for policy development, therefore staff action regarding the expansion of the number of records that are attendant to a verified mark in the Clearinghouse is therefore a creation of new policy.

A. Statements of Potential Policy Applicability Are Not Determinative.

To support its assertion that staff's decision on the previously abused name issue was creation of new policy – and not implementation – the NCSG relies on a series of statements from ICANN's GNSO and ICANN's President and CEO regarding the Clearinghouse. First, the NCSG states that the 19 September 2012 letter from Fadi Chehadé to members of Congress sets forth a "policy" on the scope of the TMCH, in its refusal to expand the TMCH to marks plus generic terms, or other areas where the TMCH would be responsible for making "determinations

as to the scope of particular rights.” The NCSG fails to explain, however, is how ICANN policy can be created through a proclamation in a letter to Congress without following ICANN policy development procedures. To be clear, ICANN cannot create policy in this fashion.

Even accepting the NCSG’s position that this statement should be considered a documented “policy” of ICANN, the action in allowing for previously abused names to be entered into the records in the Clearinghouse does not run afoul of this “policy.” The inclusion of up to 50 names in the record for a verified trademark does not require the Clearinghouse to make *any* determinations as to the scope of trademark protections or rights. Only those names that have been independently determined (for example by a UDRP provider) to be abusively used or registered may be included into the Clearinghouse records. This is far different from giving the Clearinghouse provider subjective allowance to add on generic terms or other identifiers to a trademark, without any external or objective limitations.

The NCSG’s Request can also be read to claim that moving away from the “exact match” standard is a change of policy, based on ICANN’s statements in the Strawman proposal and an associated blog post, each stating: “the inclusion of strings previously found to be abusively registered in the Clearinghouse for purposes of Trademark Claims *can* be considered a policy matter.” But this statement merely reflects that some in the community have raised the possibility that the inclusion of records for previously abused names could be a policy matter. The views of these community members, while important, are not determinative of what is, or is not, ICANN policy.

Nor is ICANN’s 4 December 2012 email to the Chair of the GNSO, seeking “policy guidance” relating to the previously abused names issue, persuasive on this front. Admittedly, the term “policy guidance” may be an inartful phrase that does not appear to be defined within

ICANN. Indeed, similar requests have gone to the GNSO before. For example, on 12 October 2009, ICANN sent a letter to the GNSO Council (<http://gns0.icann.org/correspondence/beckstrom-to-gns0-council-12oct09-en.pdf>) seeking input on the “policy implications” of staff’s proposed implementation of the rights protection mechanisms for the New gTLD Program. The resulting work of the GNSO was not deemed to be policy recommendations of the GNSO, but guidance on the implementation of rights protection mechanisms as called for in Recommendation 3 of the GNSO recommendations. While ICANN would surely benefit from better-defined terms for the input it seeks from the GNSO or other parts of that community, the use of inartful terms is not determinative of whether something is policy or implementation.¹

Similarly, the Chair of the GNSO Council’s response that the previously abused name issue is “best addressed as a policy concern” does not make staff’s limited implementation of the proposal into a “staff-developed policy.” In fact, the policy/implementation nature of this decision is not clear-cut to all within the ICANN community. For example, the Intellectual Property Constituency supported the proposal as “not an expansion of rights but merely a normal and logical implementation of the accepted rules.” (Reply Comments of the IPC on the Strawman, at <http://forum.icann.org/lists/tmch-strawman/pdfIKSGUcaRT3.pdf>.)

At bottom, the only policy associated with the Clearinghouse is the Board’s 2008 adoption of the GNSO’s policy recommendations on the introduction of new gTLDs. On rights of others, Recommendation 3 stated:

¹ There is an ongoing discussion within the ICANN community regarding Policy v. Implementation, including a paper that was posted for public comment (<http://www.icann.org/en/news/public-comment/policy-implementation-31jan13-en.htm>), and sessions at ICANN’s Toronto and Beijing meetings. That dialogue is still in the formative stages.

Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law.

Examples of these legal rights that are internationally recognized include, but are not limited to, rights defined in the Paris Convention for the Protection of Industry Property (in particular trademark rights), the Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR) (in particular freedom of expression rights).

ICANN Generic Names Supporting Organisation Final Report Introduction of New Generic Top-Level Domains, at <http://gns0.icann.org/en/issues/new-gtlds/pdp-dec05-fr-part-08aug07.htm>, adopted by the Board at <http://www.icann.org/en/groups/board/documents/resolutions-26jun08-en.htm>.

The staff action to allow trademark holders to include, along with a Clearinghouse record of a verified trademark, up to 50 names that had previously been found to have been abusively registered or used, is implementation of the established ICANN policy found in Recommendation 3, as are the other rights protections mechanisms within the New gTLD Program.

While the GNSO and staff have indicated that definition of the types of records appropriate for inclusion within the Clearinghouse *could be* the subject of GNSO policy development, there are not, to date, any policies within ICANN that specifically relate to this issue. Clearinghouse policy was not created by the Applicant Guidebook, the CEO's letter to the U.S. Congress, by statements in blog posts or by letters exchanged with the GNSO. As staff is further refining the multi-year implementation work on the Clearinghouse that resulted from Recommendation 3 of the GNSO policy, the staff action is, in our opinion, a clear matter of implementation of existing policy.

B. The NCSG's Claim of a Potential Bylaws Violation Is Without Merit.

The NCSG raises a separate issue with staff's determination to move forward in potential contravention to the GNSO Council letter, and not treating the previously abused names issue as a policy issue. The NGPC calls for the invocation of the process embedded in Annex A of the ICANN Bylaws, which defines the Board Approval Process for recommendations arising out of the GNSO policy development process. (Bylaws, Annex A, Section 9, at <http://www.icann.org/en/about/governance/bylaws#AnnexA-9>.) There is *no defined policy or process within ICANN* that requires Board or staff consultation with the GNSO Council if the Board or staff is acting in contravention to a statement made by the GNSO Council outside of the Policy Development Process. Therefore, even if staff's action here was in direct contravention to the GNSO Council statement in a letter, the Bylaws requirement for consultation does not apply, and no policy was violated.

C. No Violation of the Affirmation of Commitments is Stated.

Finally, the NCSG's claims that staff's "ignoring" of the GNSO Council statement, and providing "no substantive explanation of the policy created unilaterally," demonstrate that staff acted in violation of the Affirmation of Commitments when deciding to accept the previously abused names proposal. But even assuming that this is a policy-related decision to which this provision of the AoC applies, staff provided a rationale for its decision. In the 20 March 2013 Memorandum, staff identified the main objections to the proposal, citing that some (including the GNSO Council) believe that this is a policy concern, and then explained that those comments were weighed in light of all feedback as well as the actual scope of the protection that is implemented through the decision. (Memorandum, pages 2-3.) That the NCSG disagrees with staff's decision, as well as the rationale provided, does not mean that a rationale was never provided. Moreover, while ICANN supports the outcomes of cross-community consultations,

nowhere is it defined which portions of those consultations that ICANN must adopt and which it must reject. All work within ICANN reflects careful balancing of a variety of inputs, and this decision is no different.

D. ICANN Process for Implementation Decisions is Clear and Was Followed.

In addition, the Request's claim that in taking this action ICANN staff acted "unilaterally and following no known established ICANN policy or procedure" is not supported. It is long established within ICANN that after public comment, the inputs are summarized and weighed, and a decision is reached. This is the case for Board and staff actions, and the staff process is: (i) evaluation of the comments received on the proposal for previously abused names; (ii) subsequent weighing of those inputs; and (iii) announcement of how it would proceed, is a regular part of ICANN's processes. That is exactly what happened here.

VI. Analysis of Request for Stay.

We agree that this Request can reach conclusion prior to any TLDs entering the root. As a result, no stay is requested or required at this time. In the event evaluation of this Request is extended, further consideration analysis will be undertaken to determine if a stay is necessary.

VIII. Recommendation And Conclusion.

Because the NCSG has raised a question as to whether or not the staff action complained of is a matter of implementation of existing policy or creation of new policy, the BGC concludes that it is proper to consider the Request based on the existing record. After such consideration, the BGC concludes that staff's action was an implementation of existing policy, and not creation of new policy. Furthermore, the NCSG has not identified any other policies or procedures that the staff failed to follow in taking the decision. The BGC therefore recommends that no further consideration of the Request is warranted.

The Request, however, does demonstrate the import of the ongoing work within the ICANN community regarding issues of policy versus implementation, and the need to have clear definitions of processes and terms used when seeking community guidance and input. As such, we believe it is advisable for the Board to pay close attention to the policy/implementation debate, and to make sure that the issues raised within this Request be part of that community work.

**2013-06-04-02a-NGPC-Reference Materials-Reponse to
GAC Annex II Questions.pdf**

6 May 2013

RE: GAC Annex II Questions

1. Could a third party intervene or object if it thinks that a public interest commitment is not being followed? Will governments be able to raise those sorts of concerns on behalf of their constituents?

The Public Interest Commitment Dispute Resolution Procedure provides the capability for a third party to initiate a proceeding based on an allegation that the registry has violated one or more of the Public Interest Commitments in its agreement.

According to the current (draft) procedure, the mandatory administrative proceeding will commence when a third-party complainant has filed a Complaint with a Provider asserting that the Complainant has been injured as a result of a Registry Operator's failure to comply with one or more of its PICs. Complainants must have filed a complaint through the Public Interest Commitment Problem Report System, related to the same PIC(s) at issue in the PICDRP proceeding, to have standing to file a PICDRP Complaint.

The Panel will determine standing and the Expert Determination will include a statement of the Complainant's standing.

2. If an applicant does submit a public interest commitment and it is accepted are they able to later amend it? And if so, is there a process for that?

When a Public Interest Commitment specification has been accepted, applicants retain the ability to amend it and to submit updates by making a change request to modify the corresponding portions of the application. Prior to signing the Registry Agreement, ICANN will accept a change request that is directed solely to a change to the PIC Specification unless there are indications that the change is being requested to manipulate the process.

An example of a change that could be viewed as a manipulation of process is the change of a PIC Specification after the close of the objection period to remove commitments that appeared to be included to avoid the filing of an objection. ICANN evaluates change requests against a defined set of criteria (see <http://newgtlds.icann.org/en/applicants/customer-service/change-requests>) and informs the applicant whether the changes are approved or denied. In addition, changes to PIC Specifications will be subject to a further 30-day public review period to assess whether re-evaluation of the change is required. All public interest commitments made by applicants are expected to be fulfilled.

3. What are ICANN's intentions with regard to maximizing awareness by registry operators of their commitments?

PIC Specifications provide applicants with the opportunity to make public interest commitments based on statements made in their applications and/or additional public interest commitments which were not included in their applications but to which they intend to commit. These commitments will become part of the PIC Specifications and are available on ICANN's website (see <https://gtdresult.icann.org/application-result/applicationstatus/viewstatus>).

The PIC Specification transforms commitments stated in relation to a TLD application into binding contractual obligations that will be enforced by ICANN through the Public Interest Commitment Dispute Resolution Procedure (PIC-DRP).

4. Will there be requirements on the operators to maximize the visibility of these commitments so that stakeholders, including governments, can quickly determine what commitments were made?

The public comment period on the PIC Specifications provides a platform to maximize the visibility of these commitments so that stakeholders, including governments, can quickly determine what commitments were made.

In addition, ICANN is moving to a better Customer Relationship Management tool that will be up and running by the end of the year. This will allow for an easier way to navigate and get additional information about TLDs. Thus, there will be more opportunities to make these the PIC Specifications more visible and easier to track.

5. How can we follow up a situation where an operator has not made any commitments? What is the process for amending that situation?

The PIC Specification provided an opportunity for applicants to clarify these commitments, including to mitigate risks associated with concerns noted by the GAC. If an applicant has not submitted a PIC Specification and wishes to submit one, it can do so via the change request process.

6. Are the commitments enforceable, especially later changes? Are they then going into any contract compliance?

To resolve any issues that might arise regarding non-compliance with a registry's public interest commitments, a third party-administered dispute resolution procedure (the PIC Dispute Resolution Process) will be in place. The PIC-DRP is intended to provide a mechanism for consideration of complaints regarding the Registry Operator's compliance with the commitments made in the PIC Specification.

If there is an issue with the TLD, then those who are affected can raise a complaint under the PIC-DRP. ICANN is not suited to be the monitor of this issue and could not do the job on its own, but the community now has a mechanism to be able to address these things. Once the dispute resolution process comes out with a finding on the issue, then ICANN steps in to ensure that the TLD is behaving accordingly.

7. How will ICANN decide whether to follow the sanction recommended by the PIC-DRP? Will there be clear and transparent criteria? Based on the Dispute Resolution Procedure, what is the expected fee level?

ICANN will review any recommendation for reasonableness prior to continuing with enforcement, and the Registry Operator will have an opportunity to contest the reasonableness of the remedy as well.

The service provider(s) will determine the costs for the proceedings that it administers, to cover the fees and expenses of the members of the Panel, as well as the administrative fees of the DRSP.

8. If serious damage has been a result of the past registration policy, will there be measure to remediate the harm?

Possible remedies in the current (draft) version of the PIC-DRP include: (i) remedial measures for the registry to employ to ensure against allowing future non-complying use of the gTLD; (ii) suspension of accepting new domain name registrations in the gTLD; or (iii) termination of the Registry Agreement.

Since registrants of domain names registered in violation of the PIC(s) are not a party to the PIC-DRP proceeding, a recommended remedy cannot take the form of deleting, transferring or suspending registrations that were made in violation of the PIC(s) (except to the extent registrants have been shown to be officers, directors, agents, employees, or entities under common control with a registry operator).

**2013-06-04-02a-NGPC-Reference Materials-Note re
accepting GAC advice on IOC RCRC names.pdf**

Beijing GAC Advice on New gTLDs: Protection for IOC/RCRC Names
(18 May 2013)

Section 4 of the Beijing GAC Advice on New gTLDs advises the ICANN Board to "amend the provisions in the new gTLD Registry Agreement pertaining to the IOC/RCRC names to confirm that protections will be made permanent prior to delegation of any new gTLDs."

The Proposed Final New gTLD Registry Agreement <<http://www.icann.org/en/news/announcements/announcement-29apr13-en.htm>> at Specification 5 includes a list of names (provided by the International Olympic Committee and the International Red Cross and Red Crescent Movement) of names that "shall be withheld from registration or allocated to Registry Operator at the second level within the TLD."

The protection for IOC/RCRC names was added pursuant to a NGPC resolution to maintain these protections "until such time as a policy is adopted that may require further action" (204.11.26.NG03). The resolution recognized the GNSO's initiation of an expedited PDP. Until such time as the GNSO approves recommendations in the PDP and the Board adopts those recommendations, the Board's resolutions on the protection of IOC/RCRC names will remain in place. Should the GNSO submit any recommendations on this topic, the NGPC will confer with the GAC prior to taking action on any such recommendations.

Accordingly, the Board may state that it accepts the GAC advice (1A) since the Registry Agreement includes protection for an indefinite duration for IOC/RCRC names.

**2013-06-04-02a-NGPC-Reference Materials-Draft
Request for IGO Protections Dialogue.pdf**

Draft Request for IGO Protections Dialogue

Heather Dryden
Chair, Governmental Advisory Committee

Re: Protections for Intergovernmental Organizations

Dear Heather,

In the Beijing GAC Communiqué, the GAC reiterated previous advice that “appropriate preventative initial protection for the IGO names and acronyms on the provided list be in place before any new gTLDs would launch.” In response to a number of issues raised by the Board, the GAC noted that it is “mindful of outstanding implementation issues” and that it is committed to “actively working with IGOs, the Board, and ICANN Staff to find a workable and timely way forward.”

The Board thanks the GAC for its willingness to engage on this issue. Toward this end, we would like to propose that the GAC and a small number of Board New gTLD Program Committee members and ICANN staff begin a dialogue on the issues raised by the Board. If the GAC is agreeable to this proposal, ICANN staff would be happy to coordinate logistical details with the GAC Secretariat.

Thank you again for providing advice and input to the Board. We look forward to your response.

Best regards,

Steve Crocker,
Chair, ICANN Board

**2013-06-04-02a-NGPC-Reference Materials-Beijing
Scorecard 1As.pdf**

Pages 78/84 through 84/84 removed
from document. A current version of
the GAC Scorecard is publicly
available at:

[http://www.icann.org/en/groups/board
/documents/new-gtld-
resolutionannex-1-04jun13-en.pdf](http://www.icann.org/en/groups/board/documents/new-gtld-resolutionannex-1-04jun13-en.pdf)