ICANN Toronto
Intellectual Property Constituency (IPC) Meeting
Tuesday, 16 October 2012 (14:00 local time)

Introductions/agenda review/scribe/

The meeting was called to order by Steve Metalitz, IPC President, at 2 pm and introductions were made by the attendees.

Claudio DiGangi was appointed as scribe.

1410   ICANN staff briefing/discussion with Maguy Serad and Contract Compliance Team

Maguy Serad presented the ICANN staff briefing/discussion on behalf of the Contract Compliance Team. Maguy began by discussing the Team's three year plan, the main goals of which are to strengthen the program and operations, and improve transparency and accountability. The three phases began in 2011 with the Assessment Phase, followed by the Transformation Phase (2012) and Future Phase (2013)

> o During the current Transformation phase, Maguy indicated the Team hopes to (and to a large extent, already has):
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>> ▪ Grow staff in number and expertise, noting in particular the importance of diverse knowledge of languages in relating to contracted parties, complainants and stakeholders especially in light of internationalization and IDNs
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>> ▪ Streamline the WDPRS submission process to improve user experience and scalability.
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>>> • The objective, by December 2012 is to start shifting applications to a new, central Compliance Management Tool, beginning with the WDPRS. By mid-2013, the Team hopes to have migrated all present tools (UDRP, C-Ticket, etc.) into that one, central tool.

- Over the long term, provide access to complainants and contracted parties for status check and tracking of complaint submissions

- Maguy then provided a summary chart of the metrics of the complaint/compliance process, stating that the goal was to have a multi-dimensional database to enhance visibility and operational manageability of the department, as well as to facilitate reporting back to the community.

- A new strategy for conducting Contractual Compliance Audits was presented. It was expressed that the department will be announcing/launching the audit strategy in 2013 (fall). Audits will be conducted for every registry and registrar agreement, dividing the review of the agreement pool (via random selection) up over a three-year period and noting that agreements may be subject to more than one audit.

- The Team has also developed a Compliance Readiness Plan for the new gTLDs including both staff and operational readiness. Maguy presented a brief overview of the plan, noting that they will present a more comprehensive plan of activities at the next meeting in Beijing, China.

- It was noted that the team is unable to start outreach activities until there is further progress on the plan. However, Maguy stated it will be partnering with the stakeholder group for the outreach sessions being held the following day.

- The presentation ended with an invitation for IPC members to attend the Outreach Sessions the next day and the floor was opened to questions.

  o Maguy also called attendees to reference the additional slides in the .ppt appendix for more information.

1445 ICANN staff briefing discussion with Olof Nordling/Karen Lentz re TMCH and URS implementation

Karen Lentz provided a briefing on the Trademark Clearinghouse (TMCH). She began with an update of recent occurrences of the week including a session on the implementation of the Sunrise and Claims elements of the Clearinghouse, future sessions, and earlier calls for public comment.

- Karen thanked the IPC for its comment submission and acknowledged three general areas of concern raised in the comment: the general technical

implementation (and accompanying public comment period, proof of use, and matching rules). She then opened the floor to questions or comments.

- o Claudio DiGangi asked for Karen's view on the proof of use issue, noting that it would potentially involve subjective determinations and that the IPC's recommendation was for these issues to be addressed at the registry level, and for the TMCH to maintain a neutral role.

  - Karen confirmed the intended neutrality of the TMCH and stated that in developing the TMCH, ICANN tried to design the Clearinghouse to be focused on verifying factual information and not providing legal determinations or trying to make decisions about the scope of particular rights.

  - Karen further noted that in trying to keep proof of use in line with the goal of an objective determination, a list of questions has been developed to help set forth what would be an acceptable sample of use.

- o In response to an inquiry by Michael Graham, Karen noted that in a situation where a specimen is refused but the applicant believes it should be accepted, the TMCH offers a reconsideration-like process.

- o Anne Aikman- Scalese raised a clarifying question regarding the prohibition of a trademark in the opposition period from Sunrise services. She noted that laws regarding oppositions vary among countries, which may cause problems if ICANN did not establish clear definitions, and asked if there would be an opportunity for public comment regarding such rules.

  - Karen replied that the issue of opposition laws was noted, and did not indicate that ICANN was currently planning to post the TMCH Model for public comment.

- o In an attempt to clarify a question from Andrea Rush, Janet Furor asked whether, in the case where a specimen is accepted, the rational would be provided as to *why* it was accepted. Karen noted that she was unsure whether this was typically done, but would take it as a suggestion.

- o Finally, Steve Metalitz drew attention to the alternative TMCH model presented by a group composed of several registries, asking what level of consideration ICANN has giving to this model and whether the decision

would be made as to whether to use the existing model, alternative model, or a combination of the two.

- Karen responded by emphasizing that the model that ICANN developed tried to incorporate the best suggestions received during the IAG process. Thus, in regards to the Registry proposal, Karen stated ICANN was not planning to formally pick one model over the other, but is moving towards developing a hybrid-approach taking elements of both models into account.

- Kurt Pritz spoke about the Registry proposal, noting some of the areas in which it differed from the ICANN model and that an important discussion point for the IPC would be how to best protect data (which could later become public) that is submitted to the TMCH.

Next, Olof Nordling provided a briefing on the topic of the URS.

- o Olof acknowledged concerns regarding if the URS would actually be a quick and low-cost procedure. He mentioned that after an information-gathering session in Prague and other requests for information and community assessments, ICANN is exploring the ways to best ensure that the goal of URS efficiency is met.

  - Olof invited the IPC to provide input and noted that it was also requested that the GNSO and ALAC provide advice.

- o The floor was then opened to questions.

- o When asked about the new time limit for the implementation of the URS, Olof confirmed that the goal was 2013 (also noting that ICANN was hoping to have providers under contract by February, which may or may not be deferred depending on need to go through a RFP.)

- o Kristina Rosette raised concern over the issue of cost (noting an NAF estimate of $300-$500) and asked what next steps would be on attempting to communicate the importance of cost factor to those who might otherwise be considering responding.

  - Olof responded by noting that within the context of the following week's RFI, he trusted that the potential providers with whom they were to be speaking, would address this issue, even if not explicitly

stating the need to discuss it. He also noted that information could be received from other parties during the RFI process as well.

o Following a question from David Taylor regarding alternate plans if a provider is unwilling to pay the costs estimated, Olof explained that "plan B" was to accelerate the modification process or to take a voluntary Pro Bono approach, in which the attempt would be made to find good examiners for free.

o Sarah Deutsch noted the need for a consistent "clear and convincing evidence" standard upon which examiners under the URS process would render their determinations. She noted that the IPC has consistently filed comments with ICANN urging that the standard be consistent with the UDRP and supporting a transfer remedy so that the URS does not become increasingly prone to repeat cybersquatting.

  ▪ Olof acknowledged that he would note Sarah's suggestion as an additional suggestion for change.

o Steve Levy asked whether any investigation had been done into the cost and technical feasibility of automating part of the URS process to establish what would be considered a "clear and convincing" case and whether it was possible to expand upon the formerly used SWORD algorithm and either incorporate a mechanism that would identify Website content or otherwise make the panelist's job faster and easier, reducing time and cost.

  ▪ Olof answered that there had been no such investigation, but Steve's suggestion was a viable one.

o Brad Bertolio voiced that Intrasponce Incorporation would be submitting a response to the RFI on the URS and participating in a panel on the following Thursday. Intrasponse hoped to provide a differing perspective in light of its technological background and experience in legal process outsourcing. He stated that he was convinced they could achieve the goals of the URS within the cost target and encouraged those present to attend the Thursday panel.

o Finally, Kurt Pritz announced a meeting that would be held later in the week to discuss alternative solutions to the cost issue of the URS. He mentioned a few of the alternatives that had been suggested (ICANN support of the URS in the short term, default mechanism to expedite the

decision process) and encouraged all to consider and support the changes that would help to get to the cost target.

1530   Discussion with RAA negotiators (Kurt Pritz, Margie Milam from ICANN staff; James Bladel and Becky Burr from registrar negotiating team)

Kurt Pritz began the discussion by noting that negotiations regarding the RAA were drawing to a close, with a set target to finish by December, 2012 (rather than February as the negotiators originally proposed). He noted that in nightly meetings with Fadi, it was evident this issue was a high priority for ICANN to determine how to close these negotiations while producing real benefits. In the interest of moving ahead and coming to an agreement with negotiating parties, the RAA negotiators hoped to hold four meetings before the end of the year.

- Steve Metalitz inquired as to whether the issues of Whois verification and data retention had been resolved.

    o Kurt confirmed that a central agreement with law enforcement had been reached on the issue of data retention.

    o He then noted that the Whois issue depended on whether ICANN conducts the Whois verification before a domain name is allowed to resolve or after, and noted the lack of consensus on the matter. He also noted that the other issue being discussed between ICANN and law enforcement is whether there should be email *and* phone number verification instead of one or the other and speculated that the differences between the registrar position and law enforcement position on this matter differ and are unlikely to change.

    o Kurt then deferred to James Bladel who explained that, from a registrar position, the desire is to propose a verification scheme that would either be a requirement to verify the email address or verify the telephone number. James noted that he believed that most registrars have acknowledged that they would build the facilities for both and let the registrant choose which would be more appropriate.

    o On the issue of pre-verification, or verification within a reasonable time after domain name is registered, James expressed his thoughts that the latter is something that there is precedent for and noted the probability that one of the existing verification models would be

useful and expressed the desire to see the issue of pre-verification discussed through a PDP.

o Becky Burr added that there are substantial questions about the effect that changes to the verification process would have on contributing to Whois accuracy. In particular, she noted concern about the way the changes would impact the process by which registrations are made, impacting access in some cases.

o Becky noted that there was consensus to begin the negotiation/decision making process by gathering real data about how the above would affect the process and accuracy of Whois data, for purposes of guidance. James added to this by noting that the process of involving the entire stakeholder group in the process is ongoing.

o Anne Aikman Scalese raised concern that accessing Whois data was often difficult for consumers.

 ▪ Noting that this issue was outside the scope of the RAA negotiations, James Bladel stated that he understood Anne's frustrations, emphasized the ongoing efforts to improve the Whois system (mentioning the launch of a PDP on transitioning to a thick Whois model from a thin Whois) and stated his belief that a requirement of standardization would not be a sufficient solution.

o Next, Claudio DiGangi inquired as to next steps after the RAA negotiation process is over.

 ▪ James explained that the next steps, once language for the draft RAA is agreed upon, would be to take it back to the stakeholder group who would consider and vote on it.

 ▪ Becky Burr added that ICANN intended to post the final draft RAA for public comment and the negotiation team would remain in place through the duration of the comment process.

 ▪ It was also stated by an ICANN staff member that ICANN was exploring a series of incentives to bring all the registrars on board with the new RAA. He reported that they were up to 95% of all registrants within months, but there are still approximately 50 registrars that haven't adopted the new RAA

(although those registrars do not have many registrants among them).

o Fabricio Vayra raised the issue of whether law enforcement or the legal community had been offered the option of having an exchange for verification of Whois data, a mechanism akin to an airtight, quick way of dealing with false entries, that would enable the community to alert and stop the registration/use when they become aware of it.

- Becky first noted, for sake of clarity, that the language in the new RAA under negotiation, registrars have to notify registrants that they are violating the terms of registration agreement if they find false Whois data, and suspend the registration if it is not corrected.

- She then explained that law enforcement did, at the last negotiation session, raise the concept of having a centralized pre-registration credentialing process but not much time was spent discussing it.

o Steve Metalitz raised the topic of proposed incentives for registrars to sign on to the new RAA. He particularly mentioned a suggested provision requiring use of the new agreement when registering names in the new gTLDs. Steve drew the distinction between the ICANN proposal and that proposal by the IPC, stating that in order to register names in the new gTLDS, registrars had to accept the revised RAA for *all* of the names that they sponsored, not only for the new gTLDs but for previous gTLDs as well. He asked for clarification on whether his interpretation of the ICANN proposed position was correct.

- James confirmed from his view that the recommendation is that in order for a registrar to serve new gTLDs, they would have to agree to the new RAA - but it was intended to apply only to the new gTLDs. However, if a registrar were to begin to manage registrations in the old gTLDs after signing the new RAA, those would be subject to the new RAA. (The same would apply to transfers, although, it was noted that such issues have not been definitively worked out.)

  - Sam added that on the occasion that a registrar chose not to avail themselves to registrations in the new gTLDs,

they would not have to abide by the new RAA, but if a registrar moves to the new gTLD agreement, they would not have two agreements (one for prior old gTLD registrations, one for the new), but only one and have obligations under that one agreement.

- o Finally, Dawn Changman asked whether ICANN had formally committed to the fact that until the URS is in place, the new gTLDs would not be launched.

  - Kurt Pritz stated that the development of the URS and the process of launching the new gTLDs could be coincident, with the ultimate goal of ensuring that the URS is in place for the first time it may need to be used. He noted that in the worst case, some of the processes would happen in parallel.

Discussion of Additional Issues/Questions

Steve Metalitz raised discussion of other issues arising from the meeting with the ICANN Board that morning and any other developments during the Toronto Meeting.

- o The first issue addressed was the IPC/BC proposal of eight improvements to the RPMs and "next steps" with regards to those eight points.

  - Steve noted that they had been presented that morning and that he believed that the IPC/BC received a "clear commitment" that they would be considered. He suggested that "next steps" be discussed with regard to this issue.

- Steve also raised the issue of the two different trademark clearinghouse models for discussion and suggested the group consider which model would be more advantageous or which elements of either model should be adopted (to be brought forward within the next couple of weeks).

  - o J. Scott Evans asked a clarifying question about whether a distributed model or a centralized model of the URS would prevent a registry from offering additional protections beyond that mandated. He questioned whether, if a registry wishes to offer things such as common law marks, plurals, etc., would a centralized model block this?

- J.Scott cited this as an argument for a decentralized model, as the IPC would hope that registries would want to integrate additional protections.

- Russ Pangborn built upon J.Scott's question by stating that the model did not always have to be either centralized or decentralized. Instead of stating that the system must be *either* central *or* distributed, it could be centralized generally, but distributed in cases when that registry would want to offer more protections.

- Brian Winterfeldt concurred with J. Scott and Russ, further stating that his understanding was that a centralized model could be set up, that would still make the data accessible to those who need it and suggested the charging of a fee for access, thus providing additional incentive for a centralized system for registries.

o It was expressed that another issue that was ripe for consideration was the question of what data to enter in the clearinghouse. An IPC member raised the issue that there was a misunderstanding within the IP owner community of what the obligation was with regards to what information to include in the TMCH. He called for a minimum procedure to be put in place so that as the new gTLDs roll out, there is time to get information into the Clearinghouse in a timely manner to meet requirements.

- Marc Trachtenberg expressed his opinion that, although he agreed that some structure should be in place that gives rights owners time to put additional marks into the clearinghouse, the responsibility is on the trademark owner to make the decision of what to submit to the Clearinghouse.

o Scott Austin raised several questions/points of consideration, including the status of trademarks that are still pending registration (NOA), and whether such marks would be accepted once an owner is ready to file the statement of use for that mark. He further inquired about a provision in the rules regarding "other intellectual property" and questioned who would make those decisions and under what time conditions.

- Jonathan Zuck spoke in favor of the centralized system, stating it would deal with some of the issues raised by Scott.

  - He noted that generating a file used for the sunrise registration with a key associated with it can be very easily regenerated at no cost to the system. Thus, it would be easy to get a new file that's used for sunrises and new registries as the new gTLDs come online, with incremental changes to the data, because the same public key will work, but it will be generated a new private key

- Kristina Rosette raised the consideration of whether the IPC should provide specific guidance on the use of the FMD file as the model for the TMCH. She questioned if it would be preferable to require all information that could potentially be relevant to a Sunrise, Trademark claims or to the URS, to be included in the data file.

  - Kristina clarified her comment by explaining it was her understanding that if a newly-launched registry sought to operate its Sunrise mechanism based on information a trademark owner had not previously included in the TMCH data file, whether the owner would then have to go back and begin the process all over again.

  - Jonathan Zuck expressed that this would probably not be the case and continued by describing the key system in place and that it would be able to accommodate even a change in structure to a file (i.e. additional data fields) if additional information were to be provided at a later time.

    - Another IPC member agreed with Kristina in stating that the intake would need to be broad enough that if a registry wishes to change which part of the registration they consider important because they switch to using the public private key, which is easier to do, the information is already in the database for them to extract, and there is no need for a trademark owner to go back and re-enter it into the system

- o Jonathan Zuck acknowledged that that situation would be ideal, but noted if a centralized system were in place, an update to a new field even in the intake system, could be more easily done in a centralized system than a distributed one. However, this would still be possible in a distributed system. (A trademark owner would be presented with a form of the data already entered and be able to add incremental data without disrupting the system.)

- o Heather Forrest referred back to the strategy considerations of which marks go into the TMCH, noting that they depend on some of the business models used by the registries, (particularly mentioning the requirement of a territorial nexus for eligibility). She observed that determining such eligibility would create an intense amount of work to figure out for the brand owner what needs to be done to be eligible.

- o Anne Aikman-Scalese confirmed her understanding that unless the registration exists prior to the award of the gTLD, it is not eligible for the TMCH and that the mark has to have been applied for prior to when the window for application opens. She then raised concern regarding a registry deciding that it will only grant sunrise if a trademark registration is in a certain class, and the unfairness it may present for long-standing, valid registrations not necessarily falling within that class.

- o Paul provided another argument for the centralized approach by noting that as the amount of data required for additional mechanisms increases, such as the Claims notice would likely lead to confusion as to which data set is the most accurate and trustworthy. It may also lead to a "blame game" if a potential registrant does not get the notice they were intended to receive.

  - ▪ Paul clarified that if there was a centralized, authoritative data set in a central location, there would be less confusion and the only party to be held accountable would be the registry who did not process it correctly.

- o Marc Trachtenberg backtracked to the issue of including a maximum amount of data in the data file for the TMCH, and supported the idea, noting efficiency.

  - He also confirmed that marks that are still in the NOA stage would not be accepted into the clearinghouse, as they are not registrations. Thus, he stated his belief that it is the trademark owner's duty to update what goes into the portfolio once new marks are registered and the owner's portfolio changes.

1630   Review assignments, next meeting, and adjourn

Steve Metalitz progressed the meeting by soliciting input on how to best address the various points/issues raised during the discussion and come to a unified position.

- o The suggestion was made to form a group which would put together a list of questions that would be provided to ICANN for their consideration and response. These questions would also be directed towards proponents of the opposing view, for sake of comparison.

  - Steve Metalitz suggested that these questions address how the different models would impact operation of the clearinghouse and strategy questions for mark owners.

  - Kristina Rosette acknowledged that Jeff Neuman and a representative from Afilias would be providing the IPC leadership with a list of questions they believed needed to be answered in order to move forward. She opined that this list of questions, combined with the IPC's own list, would cover the issues necessary to move forward (once answered).

  - Brian Winterfeldt noted that the IPC leadership was attempting to have Jeff Neuman or the representative from Afilias meet with them on Thursday and requested that members aggregate any questions in the meantime. Brian also offered to compile any questions sent directly to him.

- In reference to the eight improvements proposed by the IPC/BC, Marc Trachtenberg drew attention to items number 4 and number 8, emphasizing the need for immediate decision on how to implement them, citing his belief

that Fadi wished to be able to implement solutions the IPC developed by January, 2013.

- o Additional support was raised for item #4 and the need for what was referred to as "a famous mark, blocking list, do not sell list."

- Steve Metalitz moved on to action points, stating the apparent need for the creation of at least two teams, one to deal with TMCH model issues, and the other to address numbers 4 and 8 on the IPC/BC list.

  - o Steve called for volunteers, noting that they should speak with him and/or Kristina Rosette. He also stated that IPC leadership would set target dates for addressing these issues.

- Steve then announced the details of the next meeting, scheduled for that Thursday from 8:30 – 10:30. The meeting would be a closed meeting for IPC members only in the same room.

  - o Steve stated that the agenda originally dealt with a few additional issues other than what was discussed, but would probably be revised to include discussion about the two proposed teams.

  - o At 10:00, Sally Costerson, the new person in charge of stakeholder engagement, would be visiting the IPC meeting.

- Before adjourning, Ellen Shankman announced that due to the election of new leadership, she would be stepping down as Secretary and thanked the members for entrusting her with the position and IPC Leadership.

  - o She also extended thanks to David Taylor for his work on the GNSO, as he too was stepping down.

  - o Steve Metalitz also thanked Ellen and David, acknowledging their work.

Steve Metalitz thanked the group and the meeting was adjourned.