



## **IPC COMMENTS ON THE GNSO REVIEW OF ALL RIGHTS PROTECTION MECHANISMS IN ALL GTLDS POLICY DEVELOPMENT PROCESS PHASE 1 (RPMS PDP PHASE 1) FINAL RECOMMENDATIONS FOR ICANN BOARD CONSIDERATION**

The Intellectual Property Constituency (IPC) appreciates the opportunity to comment on the RPMS PDP Phase 1 Final Recommendations, which were submitted by the PDP Working Group to the GNSO Council on 24 November 2020, unanimously approved by the GNSO Council on 21 January 2021, and published for this Public Comment period on 7 April 2021.

### **GENERAL IPC COMMENTS**

The IPC supports the RPMS PDP Phase 1 Final Recommendations. The IPC has contributed to this work effort throughout, including submitting comments during the development of the [RPM Staff Paper](#) and the [Issues Report](#) which preceded the chartering of the Working Group. Members of the IPC actively participated in this RPMS PDP Phase 1 working group throughout more than 4 years of work and have contributed to the various subgroups convened to advance the work. We appreciate the tireless efforts of the co-chairs, all the Working Group members, and ICANN's policy staff, whose support was invaluable to the group.

The IPC urges the Board to adopt the Final Recommendations in full and to instruct staff to convene an IRT and commence implementation. The Final Recommendations that the Working Group members were able to agree on are not controversial. They are largely of the nature of procedural fixes and minor tweaks to existing policy or processes, all of which achieved a very high level of support across the Working Group: the majority of recommendations were designated as having full consensus, with only one recommendation having the lesser designation of consensus. As we comment further below, the IPC certainly is disappointed that after more than four years and thousands of hours of volunteer and staff time, the Working Group was unable to reach any consensus to make more substantive and meaningful improvements to the rights protection framework put in place for new gTLDs. Nevertheless, we agree with the Working Group's conclusion that those Recommendations which have been agreed will deliver worthwhile improvements and, as such, these should be taken forward without delay.

Inevitably, there are additional changes and improvements to the RPMS that were reviewed during this Phase 1 work – the TMCH, Sunrise, Trademark Claims, URS and TM-PDDRP – which the IPC and its members believe would have better met the objective of ensuring the Phase 1 RPMS collectively fulfill the purpose for which they were created, and so would like to have seen adopted by the Working Group. These include, but are not limited to, the following:

- Expanded matching rules for the TMCH and the RPMS that utilize it from the current "exact match" standard. Given the substantial number of URS and UDRP decisions involving disputed domains incorporating a brand owner's mark in its entirety, the IPC considers that it would be

more appropriate to expand the TMCH matching rules. We believe that for the purposes of Trademark Claims, in particular, matching should also include "mark plus" and "mark-contained" variations, which could significantly deter bad faith registrations that rely on variants and not just exact matches of a TMCH-recorded mark.

- Consideration of the adoption of some genuinely preventative protection against cybersquatting, such as the Globally Protected Marks List proposed by the original IRT. Although the Sunrise and Trademark Claims are referred to as "preventative mechanisms " they are not truly preventative since they merely consist, respectively, of an opportunity to register an identical-match name oneself, at a price, and a notice to a registrant before they proceed to register about the existence of trademark rights. Neither mechanism constitutes a prohibition on registration. Further, as the data shows, cybersquatting and other abuses are rampant in the 2012 new gTLDs, so any preventative aspects of the Phase 1 RPMs appear to be inadequate.
- A fulsome consideration of whether any of the new gTLD RPMs should become consensus policy applicable to all TLDs. This was included as an overarching question in the Working Group's charter, and so was asked of the community during the Public Comment on the Initial Report. Because of time pressures by this point, the Working Group did not have adequate time to fully reflect on this question and determine whether consensus could be reached. In particular, there was some support for the URS becoming consensus policy, but insufficient time available to fully address this. We are encouraged that this will be considered further in Phase 2.
- Whilst we strongly support Sunrise Recommendation 1 that the Registry Agreement for future new gTLDs include a provision stating that a Registry Operator shall not operate its TLD in such a way as to have the effect of intentionally circumventing the mandatory RPMs imposed by ICANN or restricting brand owners' reasonable use of the Sunrise RPM, the IPC considers that the adoption of a challenge mechanism or revision to the PDDRP to operate alongside this RA provision would have been preferable. The IPC is aware that a minority of Registry Operators from the 2012 new gTLD round circumvented the RPMs by targeting brand owners with exorbitant prices for sunrise and/or through reserved names practices, among other tactics. We recognize the limitations on ICANN's ability to regulate price or account for all registry business models, but believe that ICANN should take a more active role in ensuring that the RPMs sufficiently protect brand owner rights and are not circumvented by improper registry schemes, regardless of a specific challenge procedure beyond the basic contractual compliance process.

This comment is not intended to re-open issues considered by the Working Group, merely to reflect, with disappointment, that the RPMs Phase 1 PDP was an opportunity to provide more meaningful protection for consumers which, regrettably, it has not delivered.

## **COMMENTS ON THE MINORITY STATEMENT**

The IPC notes the Minority Statement from a small group of Working Group members regarding the perceived failure of the Working Group to satisfactorily define "word marks", and respectfully disagrees both with this assertion and with the claim that the inclusion into the TMCH of trademarks which include some element of stylization (such as a stylized font or color) or a device element "unwarrantedly expands trademark rights". We ask that the Board not be swayed by the assertions made in the Minority Statement, all of which were fully considered by the Working Group.

The Minority Statement misinterprets both the ambit of protection afforded by a trademark registration and the nature and purpose of the Sunrise and Trademark Claims mechanisms. A trademark registration affords a penumbra of protection against infringement which goes beyond the mere use of a sign which is

identical to the registered mark, instead extending to confusingly similar marks. The purpose of the Sunrise period is to provide trademark owners with a priority opportunity to register domain names, at a cost, in order to prevent them from being registered and used for cybersquatting and other infringing activity. The advanced opportunity to obtain domains matching the textual component of a stylized/word+device mark does not afford or expand any trademark rights. Since stylization and device elements cannot be represented in a domain name, the interpretation applied by the TMCH operator when accepting marks that incorporate such elements into the TMCH is entirely appropriate to meet the purpose of the Sunrise as a preventative RPM.

Similarly, there is no expansion of trademark rights where a stylized/word+device mark is the basis for a Trademark Claims notice, because the inclusion of the textual element represented within the domain name may still be grounds for cybersquatting, infringement, or other potential claims based on likelihood of confusion with the underlying trademark, when the domain name is registered by a third party without the authorization of the trademark owner. The Trademark Claims process serves merely to draw the attention of the potential registrant to the fact that there are trademark rights which may be applicable, thereby providing them with relevant information to help inform their decision whether to proceed with the registration.

The issues raised in the Minority Statement were considered at length by the Working Group. There was no consensus by the Working Group to apply a different interpretation of the term “word marks” to that adopted by the TMCH and thus, in keeping with retaining the status quo where there is no agreement to make a change, that interpretation appropriately remains.

#### **COMMENTS REGARDING PARTICULAR CHALLENGES OF THIS PDP WORKING GROUP**

This RPMs PDP Phase 1 Working Group did encounter a number of challenges which contributed to its slow progress and relatively minimal outputs. Some relate to matters within the remit of the GNSO Council, such as the unwieldy charter which incorporated as charter questions for consideration, essentially verbatim, the wish-lists of different community constituent groups, and the three co-chair structure, which tended to assume a lack of neutrality such that different community interests needed to be balanced in the leadership group. We hope that ongoing changes to the GNSO PDP, building on the PDP 3.0 work, will help remedy this for the future.

Other challenges relate to matters where the Board more clearly has a role to play, including:

- **Disruptive Working Group members:** On two occasions, disruptive Working Group members had to be removed from the group. In one of these cases, in particular, the process for removal was slow, disruptive, resulted in legal threats to the Working Group chairs, and led to delays in the Working Group’s progress. It is unacceptable that community volunteers who have stepped up to lead a Working Group should be placed in this position. The IPC believes that ICANN staff (in addition to PDP leadership) need to feel that they are supported and empowered to remove truly disruptive participants. It is up to the Board and Org to take and proactively enforce a clear and unequivocal stance such that a participant who has been removed from one PDP, or Phase of a PDP, would only be allowed to join future efforts on very clear conditions as to future behavior.
- **Lack of meaningful data:** The IPC believes that it is widely agreed within the Working Group that a lack of meaningful data about the operation and impact of the Phase 1 RPMs significantly hampered this review. With Phase 2 of the RPMs PDP due to review the longstanding and widely utilized UDRP, the IPC is concerned that changes may be considered without any clear factual basis, which could have unintended consequences. The IPC merely wishes to flag this

concern to the Board now, but remains hopeful that the Phase 2 Working Group will, with the benefit of a more precise and targeted charter, adhere to evidence-based policy making and not seek to modify existing policy absent a clear problem with empirical support.

Respectfully submitted,

**Intellectual Property Constituency**