



ICANN

Rights Protection Mechanisms Review

Revised Report

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Revised: Rights Protection Mechanisms Review

Executive Summary

This report provides supporting data and analysis on the effectiveness of the rights protection mechanisms established as safeguards in the New gTLD Program. Particularly, this paper reviews the data and input in many of the key areas relating to protection of trademark rights in the domain name system, including the Trademark Clearinghouse, Uniform Rapid Suspension system, and Post-Delegation Dispute Resolution Procedures.

This report represents the culmination of over 12 months of work during which staff compiled and analyzed quantitative and qualitative data on the usage of all rights protection mechanisms. A draft of this report was published for [public comment](#) on 2 February 2015, and was updated and revised based on the feedback received.

This review is expected to support consideration of rights protection mechanisms in the DNS and is expected to serve as an input to various planned activities such as possible policy discussions in the GNSO, an independent review of the Trademark Clearinghouse, as well reviews of the Program's impact on competition, consumer trust, and consumer choice.

Trademark Clearinghouse. The Trademark Clearinghouse is a global database of

verified trademark information to support rights protection processes which opened for submission of trademark records in March 2013. As of 4 August 2015, a total of 37,971 marks had been submitted to the Clearinghouse from 120 jurisdictions. Most of the verified trademark records in the Clearinghouse are nationally or regionally or registered trademarks, with the U.S. having the greatest number of registered trademarks recorded. Out of the total number of marks submitted, approximately 90% of submissions were able to be verified and accepted for inclusion into the Clearinghouse.

Sunrise Periods. The verified data in the Trademark Clearinghouse is also used to support Sunrise services, which allow trademark holders an advance opportunity to register domain names corresponding to their marks before names are generally available to the public. Registration of domain names in the TLD during the Sunrise period is restricted to Sunrise-eligible rights holders, as demonstrated by a Signed Mark Data (SMD) file generated by the Trademark Clearinghouse. Between December 2013 and May 2015, an average of 2,448 Sunrise period registrations occurred per month across all TLDs, with the average number of Sunrise transactions for a TLD approximately 125 registrations.

A variety of feedback has been received to date in terms of challenges faced during the Sunrise period, from the perspective of Sunrise registrants. Particularly, feedback was received relating to pricing practices such as higher registration prices of “premium” names than regular Sunrise registrations and over the discretion of registries to reserve names and release them at a later time. The feedback received also addresses difficulties with locating information regarding the requirements and start dates of the Sunrise Periods and suggests a more regular and scheduled Sunrise period

(e.g., single uniform 60-day End-Date Sunrise system). Given the balancing of factors in considering rights protections and TLD startup procedures, some of these issues require further discussions and may be considered in future program reviews activities.

Trademark Claims. The Trademark Claims period follows the Sunrise period and runs for at least the first 90 days of general registration in which domain names are generally made available to all registrants that are qualified to register domain names within the TLD. During the Trademark Claims period for a TLD, the Trademark Clearinghouse will send a notice to those trademark holders with relevant records in the Clearinghouse, informing them when someone has registered the matching domain name.

ICANN has received extensive feedback on the Trademark Claims period to date, mostly relating to the details of the service. The Claims process itself is generally viewed to be working as designed. Positive comments were received in regard to the Claims service continuing beyond the initial Claims period. Suggestions for improving this service included providing a history of notices to clients.

Furthermore, ICANN has heard concern expressed over the Claims notices being intimidating to legitimate registrants with no intent to infringe, and suggestions that some registrars may be acknowledging notices without having displayed them to the registrants. ICANN appreciates the input received and expects any potential modifications to the Trademark Claims service to be taken into consideration in continuing review discussions in the New gTLD Program.

Uniform Rapid Suspension (URS). The URS procedure was designed to provide trademark owners with a quick and low-cost process to take down websites infringing

on their intellectual property rights as well as to combat cybersquatting. To date, two providers have been approved for the URS: National Arbitration Forum ([FORUM](#)) and the Asian Domain Name Dispute Resolution Centre ([ADNDRC](#)). The fees associated with a URS proceeding range from USD300 - 500. To date, approximately 300 URS complaints have been filed. Overall, the majority of URS proceedings (approximately 94%) filed have been successful in obtaining suspension of the domain name registration, with the majority of determinations (68%) having been default determinations, i.e., the determination was made without a response from the registrant.

Overall, the feedback received from the community is that the URS has produced positive results in limited instances. However, some rights holders have not opted to use this service due to the URS remedy being limited to suspension only. There is concern over the possibility of the domain name being registered once more by another potential infringer once it is released, thus some rights holders feel more comfortable having the domain name transferred to their portfolio. Additionally, a number of suggestions were received emphasizing the adoption of a loser-pays model where the losing party is expected to bear the cost of the URS proceedings, although there may be practical challenges associated with this model, such as difficulty collecting payment from a nonresponsive party.

Post-Delegation Dispute Resolution Procedures (PDDRP). Post-Delegation Dispute Resolution Procedures have been developed to provide parties potentially harmed by a new gTLD Registry Operator's conduct an avenue to pursue a complaint about that conduct. These dispute resolution procedures are administered by qualified

providers external to ICANN and may require that complainants take specific steps to address their issues before filing a formal complaint. An Expert Panel will determine whether a Registry Operator is at fault and if so, recommend remedies to ICANN. To date, there have been no complaint filings under these procedures; however, more discussions are expected on the PDDRP at a later point. While ICANN has not received extensive feedback relating to these procedures, the community feedback received does note the purpose of the procedure and encourages ICANN to review it when data becomes available.

Additional RPMs. Aside from the ICANN mandated RPMs, the feedback received indicates interest in blocking mechanisms such as those offered by some registry operators. In general, these blocking mechanisms are considered to be useful and cost-effective for protecting trademarks across multiple TLDs. Furthermore, some input received recommends that ICANN consider adopting a domain name blocking mechanism as a mandatory RPM across all new gTLD registries.

As detailed in this report, the community highlighted a number of issues and suggestions relating to key RPM processes. ICANN will address the suggested operational improvements prior to implementation with our service providers, while some of the other areas identified could be considered in future policy development discussions. This report will also be useful input to support other efforts such as the GAC-recommended independent review of Trademark Clearinghouse, the GNSO Issue Report, and the CCT Review Team charged with assessing the effectiveness of safeguards put in place to mitigate issues in the New gTLD Program.

Revised: Rights Protection Mechanisms Review

1 Introduction

This paper is intended to provide an outline for an initial review of the effectiveness of the rights protection mechanisms (RPMs) established as safeguards in the New gTLD Program. Particularly, this paper will review the data and input collected in many of the key areas relating to protection of trademark rights in the domain name system (DNS), including the Trademark Clearinghouse, Uniform Rapid Suspension (URS) system, and Trademark Post-Delegation Dispute Resolution Procedure (PDDRP). This review and analysis was published for public comment, and was updated and revised based on the feedback received to help inform various reviews and activities within ICANN.

1.1 Rights Protection in the New gTLD Program

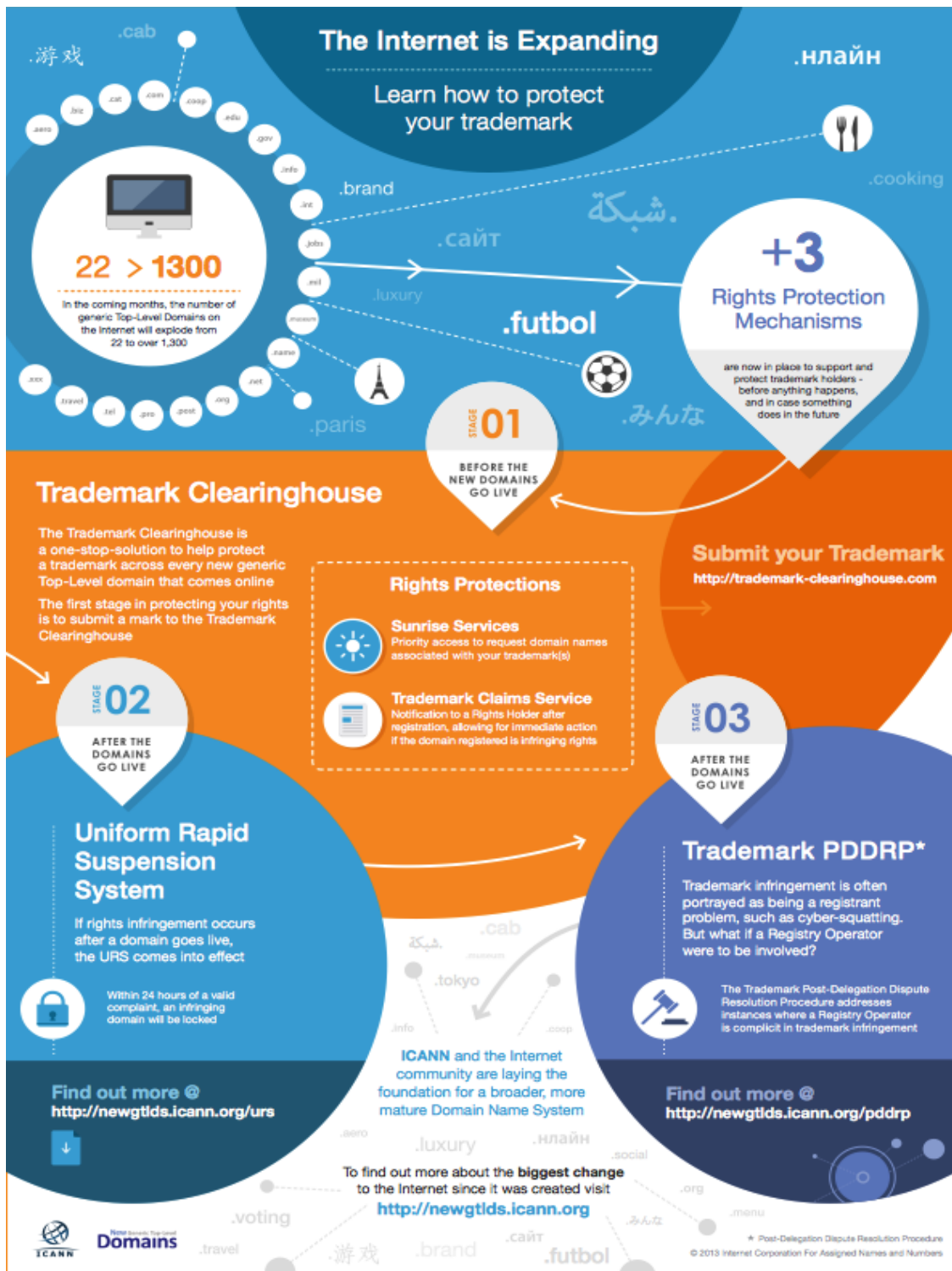
In June 2011, ICANN's Board of Directors [approved](#) the launch of the New gTLD Program. The Program's goals in expanding the generic top-level domain (gTLD) space included enhancing competition and consumer choice, and enabling the benefits of innovation via the introduction of new gTLDs, including both new ASCII and internationalized domain name (IDN) top-level domains.

As part of the gTLD application process, an objection procedure was established

to protect various rights and interests, including the Legal Rights Objection (LRO) process to provide for protection of legal rights at the top level. This dispute resolution procedure was used to determine whether an applicant's potential use of the applied-for new gTLD would cause infringement of the objector's existing trademark.

In developing the Program, consideration was also given to protection of rights in domain names registered in new gTLDs. Intellectual property experts worked with many other key stakeholders to create new rights protection mechanisms in support of a stable and secure Internet for users. As a result, several new RPMs were implemented to mitigate potential risks and costs to rights holders that could arise in the expansion of the new gTLD namespace, and to help create efficiencies for registration service providers among gTLD launches.

The RPMs are designed to be applicable at various times over the life of a TLD. For example, TLD launch processes include a Sunrise period and a Trademark Claims period, supported by verified trademark rights information as recorded in the Trademark Clearinghouse. Once these processes are completed and the TLD is in a steady state of operations in terms of domain name registration, rights holders have mechanisms such as the Uniform Domain Name Dispute Resolution Policy (UDRP), URS, and PDDRP to address complaints about infringement. An infographic overview of the RPMs is included on the following page.



1.2 Goals of this Review

As of this writing, over 500 TLDs have launched and there are many more to come, creating new experiences and challenges. This paper accounts for approximately the first 20 months of experience with the new RPMs, and it is expected that patterns will continue to emerge as the new namespace develops.

This review paper includes the following sections:

- **Section 2** summarizes the process by which the RPMs were developed for the New gTLD Program.
- **Section 3** discusses the Trademark Clearinghouse, a global repository for trademark data to support rights protection processes.
- **Section 4** examines the Sunrise service, a period in which trademark holders receive an advance opportunity to register domain names corresponding to their marks in new gTLDs before names are generally available to the public. In addition, this section examines other areas associated with this service such as Limited Registration Periods, the Qualified Launch Program, the Sunrise Dispute Resolution Policy, and questions concerning reserved names.
- **Section 5** reviews the Trademark Claims service, which runs for at least the first 90 days of general registration in a new gTLD, during which anyone attempting to register a domain name matching a mark that is recorded in the Trademark Clearinghouse will receive a notification displaying the relevant mark information. This section also discusses the additional

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- services relating to Trademark Claims, such as inclusion of previously abused labels, and extension of the Trademark Claims services.
 - **Section 6** discusses the URS as a complement to the UDRP, for the resolution of disputes regarding the registration of domain names that may infringe trademark rights.
 - **Section 7** looks briefly at Post-Delegation Dispute Resolution Procedures, mechanisms developed to address potential registry conduct issues by providing an avenue for complaints from parties alleging harm by a new gTLD Registry Operator's conduct.
 - **Section 8** describes the foreseen next steps for the review process.

For each of the RPMs, the draft report called out questions where feedback was specifically encouraged. However, feedback was welcomed on any of the topics and issues described in this paper, as well as additional issues that might be included. These questions are compiled and listed in Appendix A. In an effort to ensure that user perspectives on using RPMs is accounted for in this review, many of these questions were also presented at the [Rights Protection Mechanisms: User Feedback Session](#) at [ICANN 51](#), where a broad range of community input was collected and incorporated in the draft report.

Publication of the [Draft Report: RPM Review](#) for public comment was important to capturing the experience of users of the RPMs and to consideration of how they affect the variety of stakeholders in the context of the DNS. Feedback is especially important to ensure that all issues that need to be considered are identified, and to help

determine those issues that have most impact, and accordingly, the areas where community resources will be best focused. A synopsis of the comments received during the public comment period can be found in each of the relevant section following the questions listed as well as in Appendix B.

The RPMs introduced for the New gTLD Program affect a variety of Internet users, including domain name registrants, registry and registrar service providers, intellectual property holders, and others. To help execute an effective review process, ICANN encouraged thoughtful input from a diverse set of stakeholders. In addition to input specific to the topics described in this paper, some feedback in the public comment period requested ICANN to expand its inquiry to determine if issues of balance and fairness included in these mechanisms worked for all parties, whether existing rights were protected and fair use protections maintained, whether ICANN avoided the expansion of intellectual property rights, and whether there were obstacles faced by registrants. The draft report was indeed intended to capture input from all stakeholders in the DNS ecosystem, and ICANN encourages continued community discussions and additional feedback in line with the goals of this report, as well as suggestions on how to engage broader audiences, such as registrants, in these discussions.

The areas identified from the review process may take different paths: some may be subjects for policy discussion; others may be operational or service enhancements that can be considered with the stakeholder community. Outputs from this review and comment process are expected to inform possible policy discussions in the GNSO (with an Issue Report on RPMs scheduled for Q4 of 2015), as well reviews of the Program's impact on competition, consumer trust, and consumer choice (with the Review Team

scheduled to be formed beginning in Q4 of 2015). To help inform these activities, it is expected that this paper will be updated as necessary to take into account any new issues related to RPMs as well as the latest data available.

2 Background

During the development phases of the Program, in public discussions of new gTLD implementation models, rights holders and other interested parties identified potential risks and costs to rights holders that should be mitigated in the expansion of the gTLD namespace. On 6 March 2009, the Board [convened an Implementation Recommendation Team \(IRT\)](#) to develop proposed solutions to address the most pressing and key issues for trademark holders.

The Board asked the IRT to develop proposed solutions for potential risks to trademark holders in the implementation of new gTLDs. The IRT was comprised of 18 experienced and geographically diverse individuals knowledgeable in trademark protection on the Internet. The IRT identified five areas to address some of the immediate concerns:

- The IP Clearinghouse (later, the Trademark Clearinghouse), Globally Protected Marks List and associated rights protection mechanisms, standardized pre-launch rights protection mechanisms;
- Uniform Rapid Suspension System;
- Post-delegation dispute resolution mechanisms at the top level;
- Whois requirements for new TLDs; and
- Use of algorithm in string confusion review during initial evaluation.

In developing its recommendations to address the five proposed solutions mentioned above, the IRT applied the following framework and considerations:

- The recommendation should satisfy the checklist criteria agreed on by the IRT;
- The recommendation should protect the existing rights of trademark owners, but neither expand those rights nor create additional legal rights;
- The recommendation should provide clear benefits to trademark owners and new gTLD registries, such that as many as possible will be incentivized to use the recommended solution;
- The recommendation should accommodate user and consumer concerns, in particular the need to ensure consumer protection both in terms of preventing unnecessary confusion and of permitting (and not derogating from) the lawful use of marks;
- The recommendation should be sufficiently flexible and scalable so as to ensure its sustainability as an effective RPM; and
- The recommendation should not result in unnecessary or undue costs, either to trademark owners, gTLD registries, registrars or to legitimate users and consumers.

In developing its recommendations, the IRT evaluated the public comments received in response to the posting of the [Draft IRT Report](#) on 24 April 2009, and consulted with and examined the practices, experiences and recommendations of various registries, Internet service providers, and dispute resolution services that it considered relevant to its task, including for example sunrise registrations, suspension practices, and the costs associated with implementing a rights protection mechanism.

These recommendations were intended to satisfy most of the concerns and to provide a balanced, flexible and sustainable solution to effectively protect the legal

rights of trademark owners upon the introduction of new gTLDs. On 26 May 2009, the IRT published its [Final Report](#).

To ensure policy consistency, the ICANN Board requested that the Generic Names Supporting Organization (GNSO) Council evaluate the recommendations from the IRT, public comments, and additional analysis undertaken by ICANN staff, as well as review the policy implications of certain RPMs proposed for the New gTLD Program. In particular, the Board requested that the GNSO provide input on whether it approved the proposed model, or, alternatively, propose a new model that would be the equivalent or more effective and implementable.

On 28 October 2009, the GNSO adopted a [resolution](#) creating the Special Trademarks Issues review team (STI) to analyze the specific RPMs proposed for inclusion in the draft Applicant Guidebook. The STI review team included representatives from each Stakeholder Group, At-Large, Nominating Committee Appointees, and the Governmental Advisory Committee (GAC).

While the STI did not reach unanimous consensus on every element, it did reach such consensus on many aspects and broad consensus on many others. The GNSO unanimously approved the concept of a Trademark Clearinghouse required to support startup periods in all new gTLDs, either a Sunrise period or a Trademark Claims period, as well as a mandatory Uniform Rapid Suspension system in new gTLDs. These [recommendations](#) were provided to the GNSO Council on 11 December 2009.

On 23 February 2011, the GAC [advised](#) the Board that both Sunrise and Trademark Claims services should be mandatory for registry operators because they serve different functions, with IP claims (i.e., Trademark Claims) serving a useful notice

function beyond the introductory phase. Various community groups also recommended that both Trademark Claims and Sunrise services be mandatory for registries to provide.

After consultation with the GAC as well as multiple community stakeholders, the Board determined to make both Sunrise and Trademark Claims services mandatory for all new gTLDs. This approach was intended to provide flexibility for trademark holders around the world, in that they could elect to receive notices through the Clearinghouse-facilitated Trademark Claims service, rather than paying to obtain a Sunrise registration in each new gTLD.

The GAC advice in relation to URS was also considered and taken into account in incorporating the URS as an additional tool for rights holders in the Program. Following this phase, ICANN worked to implement the Trademark Clearinghouse and URS processes to be available before new gTLDs opened for registration. This implementation work also involved extensive consultations on the [details of elements of the Trademark Clearinghouse](#), and [registry requirements](#) for implementation of Sunrise and Trademark Claims.

With the delegation of the first new gTLD in October 2013 came the opportunity to operate the rights protection processes designed by the community. This paper is intended to capture that experience and consider it in light of the community discussions contributing to these mechanisms.

3 The Trademark Clearinghouse

The Trademark Clearinghouse is a database of verified trademark information from around the world. The verified data in the Trademark Clearinghouse is used to

support both Trademark Claims and Sunrise Services, required in all new gTLDs.

The Trademark Clearinghouse performs several important functions, including authenticating global rights information, maintaining a centralized database, and providing this information to registries and registrars during the domain name registration process. Under contract with ICANN, Deloitte provides the verification services for the Trademark Clearinghouse, and IBM provides technical database administration and support services, as shown in Figure 3-1 below.

Trademark Clearinghouse Functions and Roles Performed

Trademark Clearinghouse

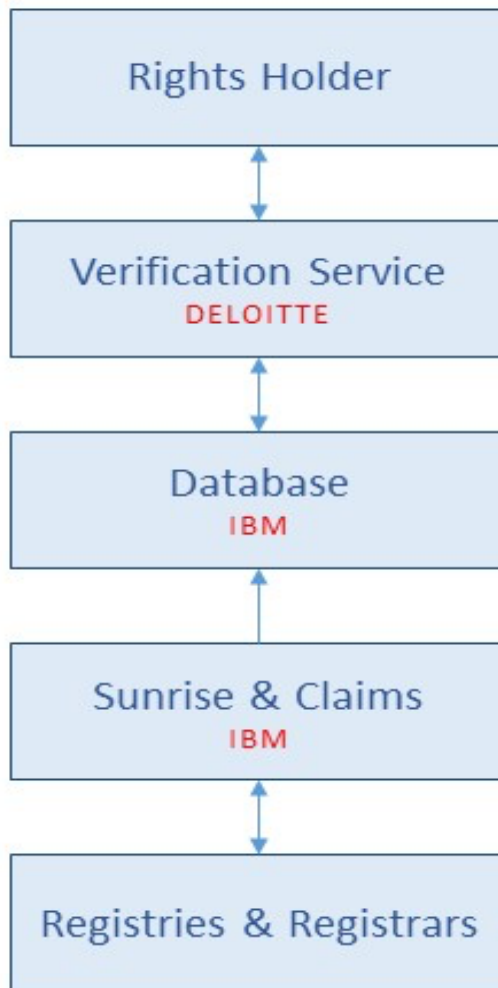


Figure 3-1

Source: icann.org

This section will focus on the verification functions of the Clearinghouse, while Sunrise and Claims functions are discussed in sections 4 and 5.

Benefits of recording a trademark with the Clearinghouse include access to Sunrise registration with new gTLD registries. This involves an initial period of at least 30 days before domain names are offered to the general public. The Clearinghouse also includes a Trademark Claims service that runs for at least the first 90 days of general registration. During this period, the Trademark Clearinghouse sends a notice to those trademark holders with relevant records in the Clearinghouse, informing them when someone has registered a matching domain name.

A key requirement of the Clearinghouse is to serve rights holders from all regions of the world. This repository for rights data was designed to be accessible to prospective users in all regions and to create a resource for streamlining protection of trademarks across new gTLD launches.

The Clearinghouse opened for submission of trademark records in March 2013, in advance of delegation of the first new gTLD in October 2013, thus rights holders were granted a seven month window of opportunity to submit trademark records into the Clearinghouse prior to registering their desired domain names in October and following. Many rights holders took advantage of this period with a total of 13,261 verified trademarks submitted as shown in Figure 3-2 and 3-3 below.

Verified Trademarks Submitted Prior to First TLD Delegation

March 2013 - October 2013

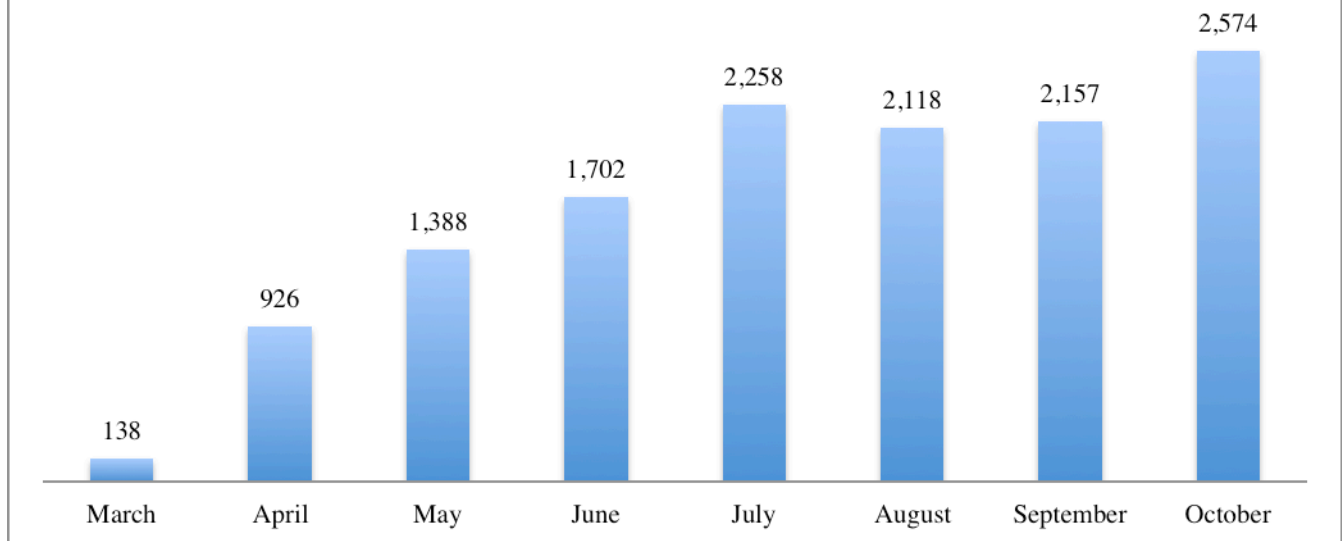


Figure 3-2

Source: Deloitte Monthly Trademark Activity Reports

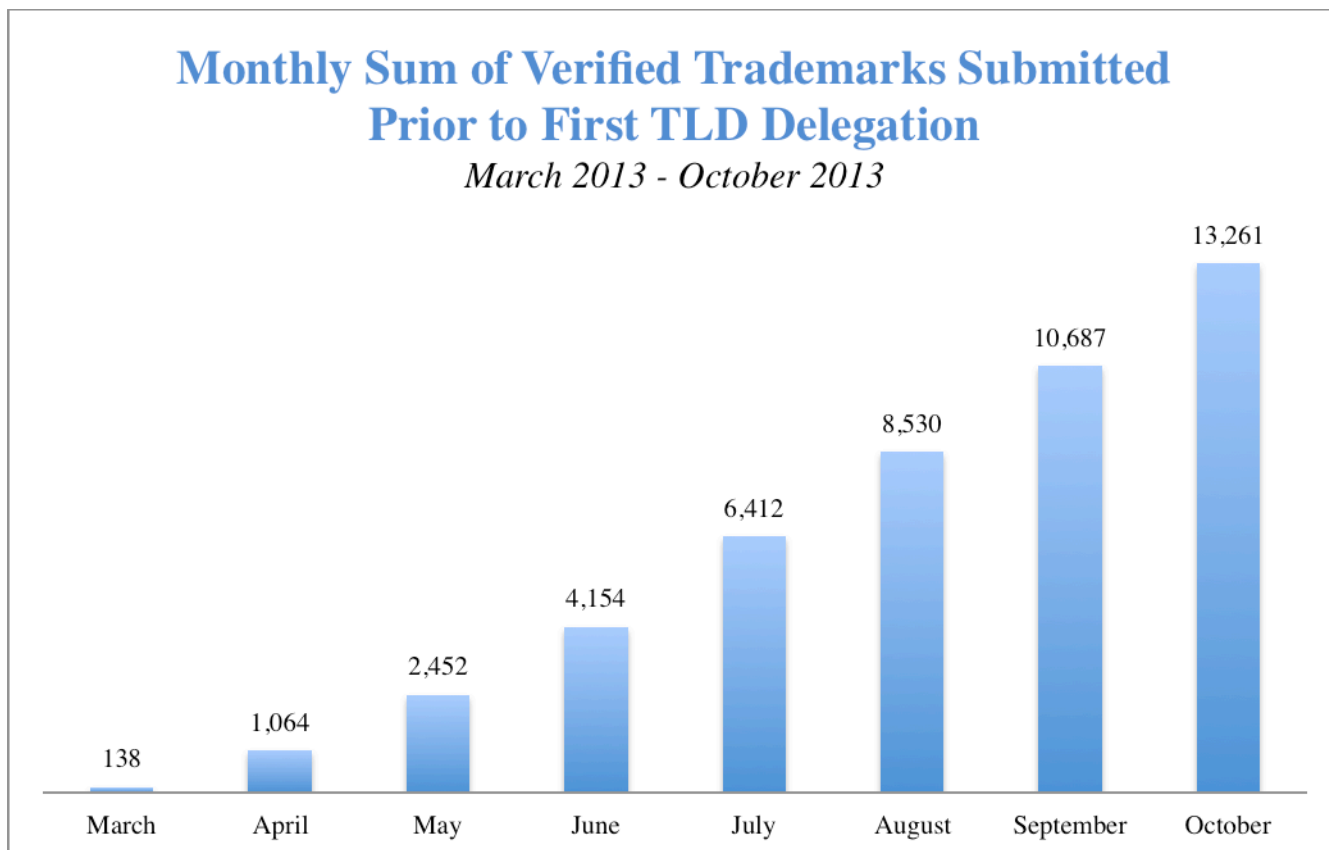


Figure 3-3

Source: Deloitte Monthly Trademark Activity Reports

As of 4 August 2015, Deloitte reported 37,971 marks submitted to the Clearinghouse from 121 jurisdictions, for a total of 95,809 trademark years (a trademark record can be recorded for 1, 3, or 5-year terms). While a one-year registration requires the renewal of a record, a three or five-year registration when recording a trademark record for three or five years the trademark record does not require a manual yearly renewal of the record during the protection period.

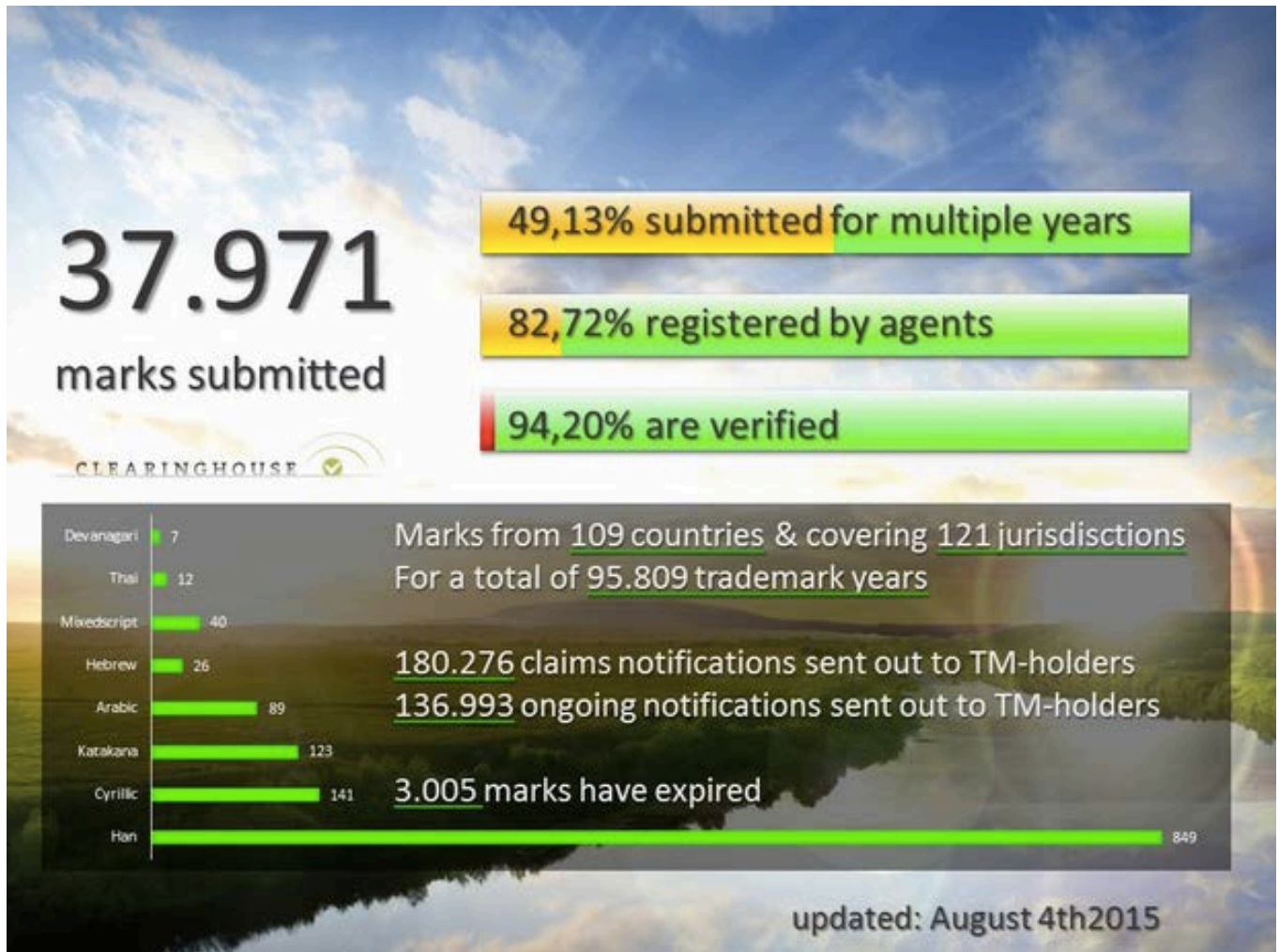


Figure 3-4

Source: [Clearinghouse stats-page](#)

3.1 Trademark Verification Process

The first step towards inclusion of a trademark in the Clearinghouse is the verification process. During this process, the Clearinghouse must obtain sufficient information to confirm the validity of the submitted trademark as well as the trademark holder contact information. To confirm the validity of trademarks, the relevant

information must be provided according to the type of trademark. It is important to note that the Trademark Clearinghouse does not make legal determinations concerning trademark rights, but functions as a repository of verified trademark data.

Figure 3-5 and 3-6 below show a monthly breakdown of successfully verified trademarks that have been submitted into the Clearinghouse since it opened in March of 2013:

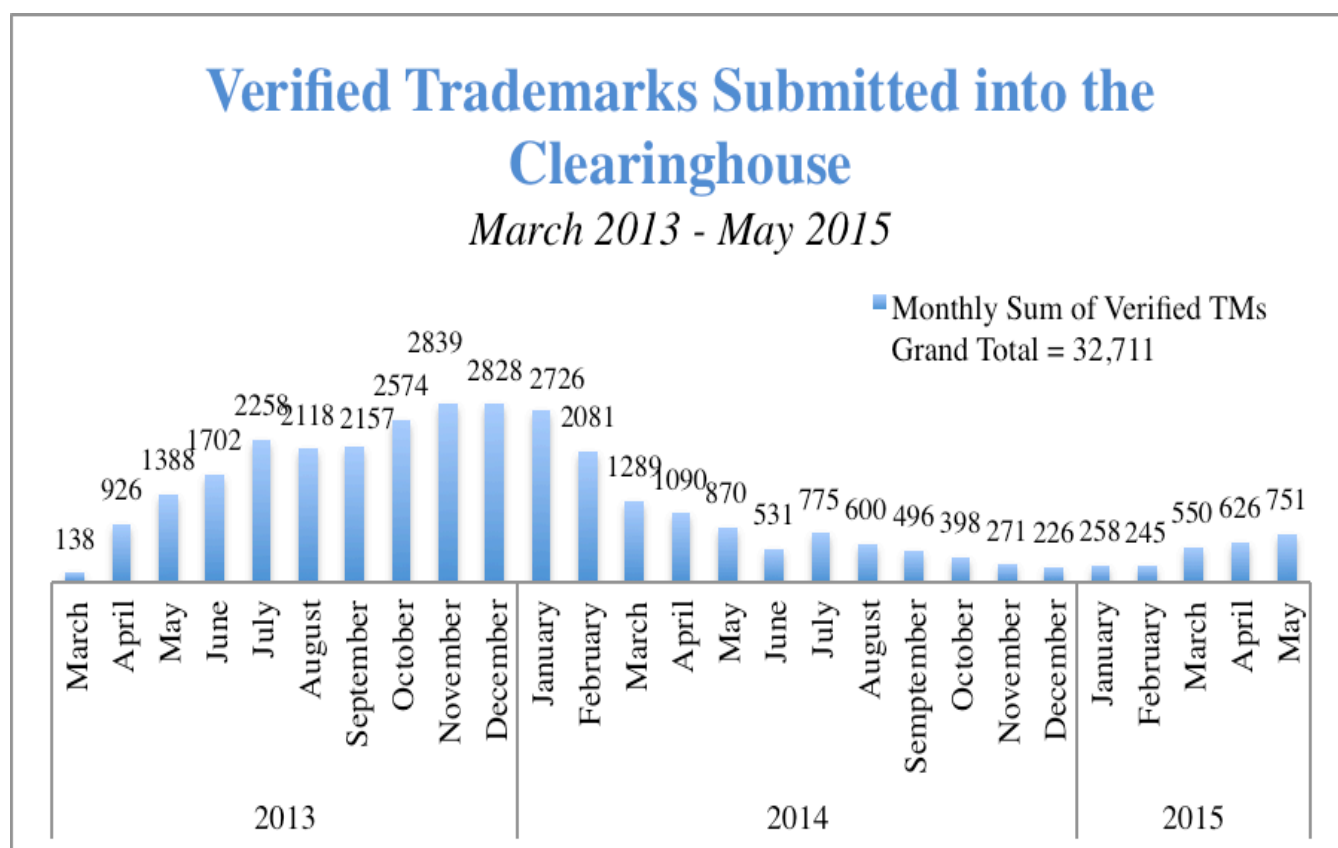


Figure 3-5
 Source: Deloitte Monthly Trademark Activity Reports

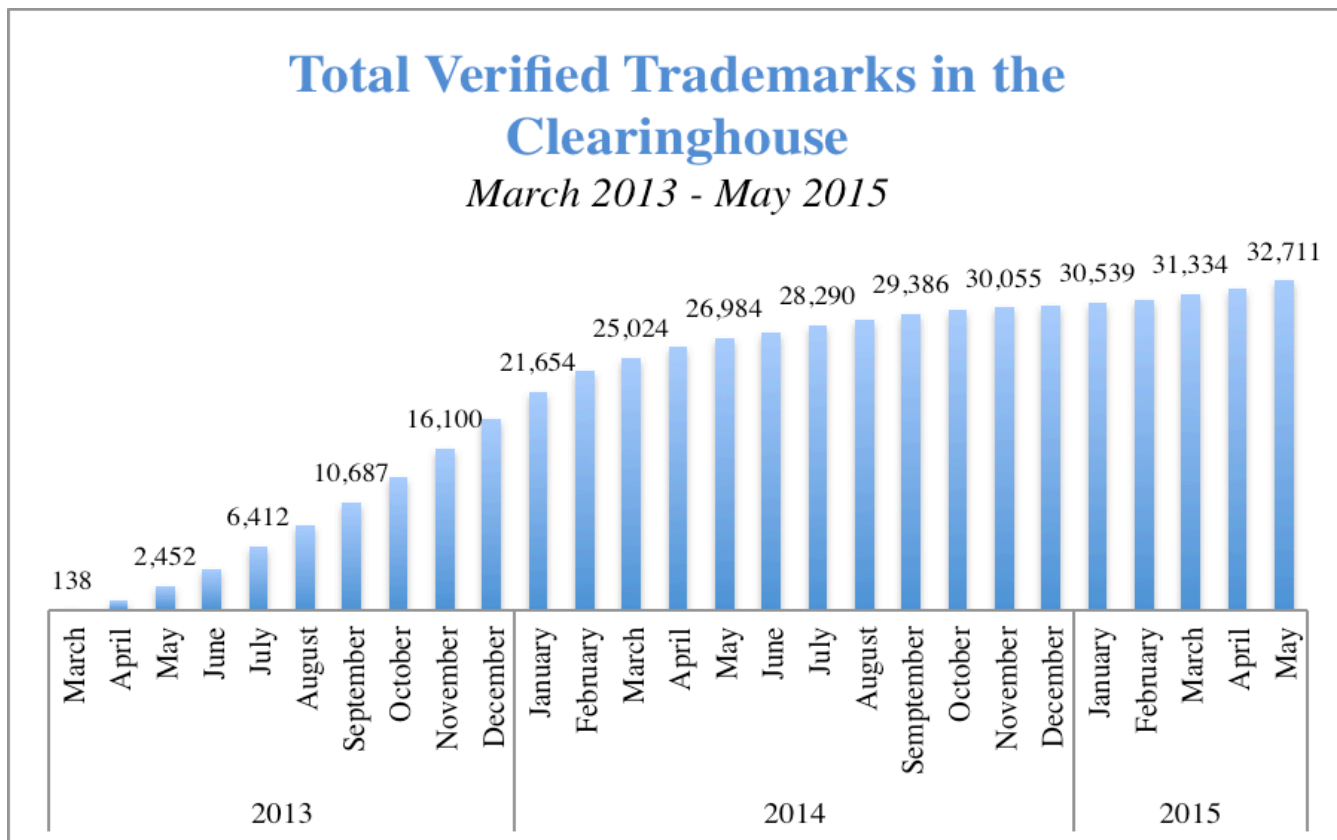


Figure 3-6

Source: Deloitte Monthly Trademark Activity Reports

The basic fee for verification is USD 150 per trademark record per year. The advanced fee structure offers discounted pricing based on volume, as low as USD 95 per record inclusion to the Clearinghouse. See <http://trademark-clearinghouse.com/content/trademark-clearinghouse-fees>.

The Clearinghouse accepts and verifies the following types of intellectual property rights:

- (i) nationally or regionally registered trademarks;
- (ii) court-validated marks; and
- (iii) marks protected by statute or treaty (such as geographical indications or

designations of origin).

In addition, the Clearinghouse may accept and verify other types of marks upon the request of individual registries. To date, no such requests have been received.

In each case, the trademark information submitted is reviewed by the Trademark Clearinghouse and confirmed against the records in the relevant jurisdiction. Detailed Clearinghouse Guidelines are at http://trademark-clearinghouse.com/sites/default/files/files/downloads/TMCH%20guidelines%20v1.2_o.p df. If sufficient information is provided and the trademark record meets the requirements, the trademark is eligible for inclusion in the Clearinghouse and will receive access to the Claims services. Furthermore, if a registered trademark has also been verified for proof of use (see section 3.3 below), it is eligible to be issued an SMD file for participation in Sunrise periods.

Between March 2013 and May 2015, the Clearinghouse verified and accepted for inclusion 32,667 nationally or regionally or registered trademarks, 42 trademarks protected by statute or treaty, and two court-validated trademarks.

The majority of the verified trademark records in the Clearinghouse are nationally or regionally or registered trademarks. Table 3.1 below lists the top 20 jurisdictions for registered trademarks, according to number of records accepted for inclusion in the Clearinghouse between March 2013 and May 2015.

Jurisdiction	Verified Registered Trademarks
1. United States	13,145
2. Office for Harmonization in the Internal Market (EU)	5,816

Jurisdiction	Verified Registered Trademarks
3. France	1,654
4. World Intellectual Property Organization	1,825
5. Germany	1,408
6. United Kingdom	1,256
7. Australia	905
8. Spain	714
9. Canada	713
10. Japan	708
11. China	639
12. Benelux Trademarks and Designs Office	518
13. Switzerland	350
14. Sweden	321
15. New Zealand	186
16. Italy	177
17. Hong Kong	170
18. South Africa	167
19. Russian Federation	154
20. Mexico	127

Table 3-1

Source: Deloitte Monthly Trademark Activity Reports

Figure 3.7 below illustrates the proportion of marks that were verified and accepted by the Clearinghouse versus marks that were not verified and thus ineligible for inclusion in the Clearinghouse, out of the total number of marks submitted, for the period March 2013 through May 2015.

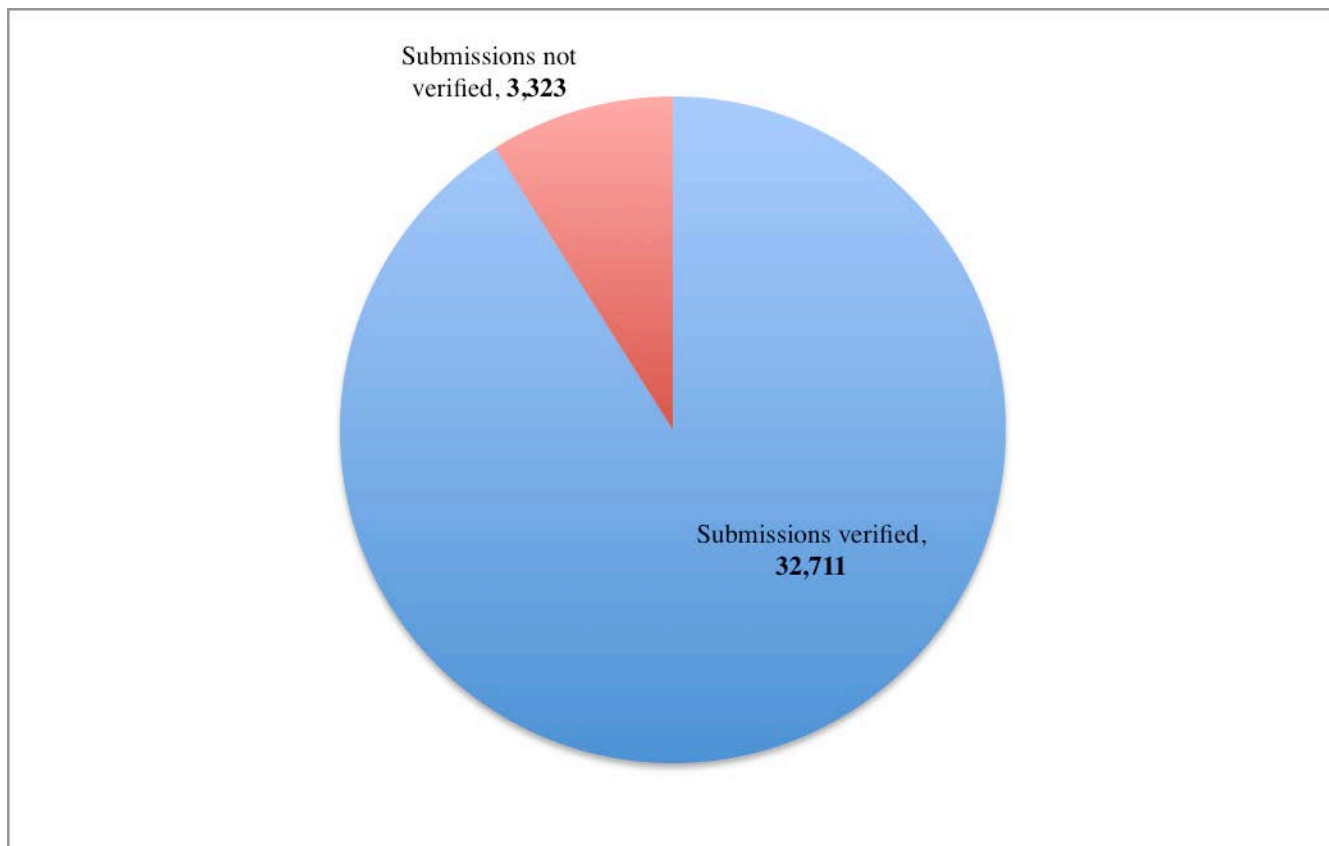


Figure 3-7

Source: Deloitte Monthly Trademark Activity Reports

Verified Registered Trademarks	32,711
Verified Trademarks Protected by Statute or Treaty	42
Verified Court-Validated Trademarks	2
Submissions Not Verified	3,323
Total submissions	36,034

Table 3.2 below is a customer service ticket summary chart illustrating the sum and types of customer service requests received by the Clearinghouse. As reported by Deloitte, the overall error rate in first submissions is approximately 19.3% and the

average length of time that it takes TMCH users to fix an incorrect submission is 26 days. After correcting the mark information, the overall error rate is limited to 6%.

Ticket Summary	Count
API Issues	456
Claims Notification Issue	295
Other Issues (e.g., general new gTLD, UDRP/URS, invoicing)	2,655
Profile Management Issues	604
Sunrise File Issues	1,157
Sunrise Notification Issues	126
Trademark Management Issues	4,340
Grand Total	9,633

Table 3-2

Source: Deloitte Ticket Summary Report

ICANN has received feedback on some challenges that were identified regarding the verification process, particularly around communications and administrative requirements. For instance, trademark holders express some confusion in satisfying the “registration date” requirement, defined by the TMCH as the date of issuance of the registration certificate and not the start of the registration term, which in some jurisdictions relates back to the application filing date.

Furthermore, some users reported that the TMCH staff was unclear in communicating information to rights holders regarding proof of use evidence or rejection of a mark. A record may be flagged as “incorrect” without a helpful explanation of what is required to correct the mistake. Another challenge identified is providing the TMCH with actual registration certificates in cases where the jurisdiction lacks an online trademark database that can be used for verification. Other comments also expressed

difficulties in using the TMCH document upload system, obtaining translation of certificates, particularly class descriptions, and issues when entering any non-Latin text into the form provided by the TMCH, as the text needed to be in a format that can be copied and pasted into the appropriate field.

Suggestions from the community on how to make the verification process more effective include improving communication and learning tools for trademark owners, implementing a grace period for trademark owners to correct problems with their TMCH registrations, and providing TMCH staff with additional training

Another possible consideration to streamline the submission and verification process might be the addition of an electronic signature option for the declaration of use, as well as synchronizing submissions related to registered marks with other trademark record databases worldwide.

Furthermore, feedback was received requesting that ICANN incorporate into its review data related to the provider's expenses related to the verification process, such as costs to Deloitte to conduct verification, costs to IBM to provide the trademark database admin and support, as well as which regions of the world were problematic in terms of verification. With this in mind, ICANN has made an inquiry into our providers in order to obtain the data requested.

The verification process is the intended to be a clear and straightforward process leading to trademark inclusion in the Clearinghouse. ICANN takes note of the administrative challenges reported by the community in making use of the TMCH, and is reviewing these suggestions with the Clearinghouse service providers to determine which can be addressed in a timely and efficient manner.

3.2 Trademark Clearinghouse Guidelines

The Trademark Clearinghouse Guidelines describe the eligibility requirements for inclusion of trademarks in the Clearinghouse and for participation in Sunrise and Trademark Claims services. These Guidelines were drafted based on the requirements specified for the Clearinghouse in the gTLD Applicant Guidebook and are intended to provide users an overview of the eligibility requirements and what type of marks are accepted for inclusion in the Clearinghouse. Specific areas of the Guidelines where ICANN has received feedback and questions to date are enumerated below.

3.2.1 Treatment of Marks across Jurisdictions

In the development of the New gTLD Program, numerous discussions took place with a wide range of stakeholders regarding the types of marks that should be eligible for inclusion in the Clearinghouse, including the standard for the proof of use requirement for trademark holders to qualify for participation in the Sunrise domain name registration processes.

A significant consideration in these discussions was the principle that mark holders around the world should undergo the same verification process, rather than different types of scrutiny according to where a trademark was registered. An early iteration of the Trademark Clearinghouse proposal included different procedures for marks based on whether they were granted by a jurisdiction that employed “substantive review” in granting the trademark, or a jurisdiction that did not. This approach was

modified in response to concerns that rights holders from certain jurisdictions might undergo a more burdensome verification process for admission into the Clearinghouse than others, similarly situated, in other jurisdictions.

ICANN has received feedback that inclusion of marks from some jurisdictions in the Trademark Clearinghouse may be problematic as it could lead to gaming of the Sunrise period, for example, by parties “forum shopping” to seek trademark protection for generic terms or highly sought-after terms. Additionally, ICANN has received questions about verification standards and generic marks.

Generic terms are common words or terms that identify a general class of products and services and are not specific to any particular source. For example, “soymilk” is a generic phrase that describes a kind of milk; it defines the product itself rather than its source.

However, it should be noted that what is generic in one context may not be in another; for example, the trademark “Windows” might be generic for windows, but not for software. Laws differ per jurisdiction as to what is considered generic or eligible for protection. As the Clearinghouse records marks from any jurisdiction, it accepts all marks that meet the criteria in the Guidelines. Clearinghouse processes are designed to verify trademark information as it has been issued by the authorities in the various jurisdictions; the Clearinghouse does not play the role of trademark examiners.

ICANN has also received feedback suggesting employment of a date restriction for entry into the Trademark Clearinghouse, e.g., marks issued after a particular date would not be accepted. While this would eliminate the possibility of parties registering

marks to try to claim domain names in certain TLD sunrises, it would also prohibit any new marks from receiving this protection.

Feedback was also received regarding how Deloitte sets the verification price per trademark. The fees for verification are consistent across jurisdictions (see <http://www.trademark-clearinghouse.com/content/trademark-clearinghouse-fees>). Since validation costs vary by jurisdiction, normalization is required to adjust these variations in order to produce reliable financial information that facilitates a more accurate forecasting of Deloitte's operating performance as well as to generate meaningful comparisons.

3.2.2 Word Marks

Section 5.2.1 of the Guidelines describes how the name of a mark is verified:

In order to determine whether the recorded name of the Trademark is identical to the reported name of the Trademark, Deloitte will apply the following rules:

1. *For a Trademark exclusively consisting of letters, words, numerals and/or special characters: The recorded name of the mark is an identical match to the reported name as long as all characters are included in the Trademark Record provided to the Clearinghouse, and in the same order in which they appear on the Trademark certificate.*
2. *For marks that do not exclusively consist of letters, words, numerals, special characters: The recorded name of the Trademark is an identical match to the reported name as long as the name of the Trademark includes letters, words, numerals, keyboard signs, and punctuation marks ("Characters") that are:*
 - *predominant; and*

-
- *clearly separable or distinguishable from the device element; and*
 - *all predominant characters are included in the Trademark Record submitted to the Clearinghouse in the same order they appear in the mark.*

The Guidelines are designed for review of trademark submissions according to a standard that does not favor one jurisdiction over another. ICANN has received feedback that only “word marks” as defined by a particular jurisdiction should be accepted in the Trademark Clearinghouse. ICANN has also received feedback supporting the Clearinghouse Guidelines that any mark containing word elements, such as design or figurative marks, should remain eligible for entry in the Clearinghouse so long as they can be distilled into just the word mark itself. Others, however, maintain that the Clearinghouse Guidelines should be adjusted to exclude the registration of design marks.

While there is no generally accepted or international definition of a word mark, there are multiple laws that distinguish between a mark that is comprised of characters versus a mark that protects the manner in which those characters are presented. Furthermore, input was received inquiring into how many design marks have been accepted into the Clearinghouses. While we currently do not have an analysis on the different types of marks that are in the Clearinghouse database in terms of how many of each type have been accepted, ICANN welcomes the suggestions received and will explore conducting additional analysis on this as part of the independent review of the Trademark Clearinghouse.

There are over 100 definitions of a “word mark” across trademark jurisdictions. Because trademark rights are regional in nature, what qualifies for protection in one place, may not in another. The territorial component of trademark rights does not lend

itself to any one definition of universal applicability. For example, the World Intellectual Property Organization (WIPO) does not define a “word” mark, nor do any of the decisions of the UDRP.

While trademark laws make various distinctions between “word marks” and design or figurative marks, a domain name can only be presented in plain text. A review of UDRP case law indicates that the analysis of whether a domain name is confusingly similar in terms of a mark that incorporates graphic or design elements occurs on a case by case basis. Trademark law seeks to prevent consumer confusion. That is, the likelihood that consumers would perceive an association where none exists is dependent on case by case analysis.

Relying on multiple different definitions of types of marks per submission would further complicate the verification process and could also lead to a preferential bias toward one jurisdiction or another. Thus, it is important that the guidelines be clear in order to avoid any misinterpretation issues when authenticating or validating a specific mark.

3.2.3 The “dot” Rule

As provided in the gTLD Applicant Guidebook, the Clearinghouse will generally not accept marks that include top-level domains such as “icann.org” or “.icann” or marks starting with a “dot” (.) or containing a “dot” (.).

This prohibition does not apply, however, to registered trademarks including a “dot” when the dot functions as: punctuation (e.g., period), an abbreviation, or a figurative part of the registered trademark.

The verification agents of the Clearinghouse examine the function of a “dot” character contained in a trademark and apply the rule accordingly.

Whether a “dot-TLD” mark (e.g., ICANN.ORG or .ICANN) should be included in the Clearinghouse was the subject of discussion during the development of the Clearinghouse. The Clearinghouse is designed to be a repository for trademarks. To fulfill the objectives of the Clearinghouse as a repository for trademarks, the goal is that those marks that actually function as trademarks, i.e., indicate source, are those that will be eligible for inclusion. Many safeguards have been established to prevent abuse and to ensure neutral application of validation standards, including objectively verifiable data.

Generally speaking, TLDs standing alone do not serve the trademark function of source identification. Instead of telling consumers “what” a product is or who makes it, they tell consumers where to get it. Because the TLD, standing alone, does generally not indicate source, and because it was believed that allowing marks in the Clearinghouse that include a TLD would increase the potential for confusion, abuse and gaming, on balance they were excluded as the most conservative approach.

ICANN has received feedback that there should be no prohibition on the “dot” character and that marks such as “.icann” and “icann.org” should be accepted, as the rule excludes a number of active trademarks. Consideration of domain names with regard to trademarks is an evolving area: for example, the United States Patent and Trademark Office (USPTO) developed and instituted a rule change in its Trademark Manual of Examining Procedure relating to marks composed, in whole or in part, of

domain names. See section 1215 of the Manual at

http://www.uspto.gov/trademarks/resources/TMEP_archives.jsp.

3.3 Proof of Use

Proof of use is required to qualify for participation in Sunrise domain name registration processes. Throughout the development of the Program, numerous discussions took place between the GAC, the Board, and stakeholder groups regarding the standard for the proof of use requirement for trademark holders.

With respect to the issue of whether demonstration of use should be required in various new gTLD RPMs, on 23 February 2011, the [GAC recommended](#) to the Board that trademarks from all jurisdictions should be treated equally, specifically, that “All trademark registrations of national and supranational effect, regardless of whether examined on substantive or relative grounds, must be eligible to participate in the pre-launch sunrise mechanisms.”

After listening to the GAC and others, the Board agreed that “substantive examination” or “substantive evaluation” should not be included in the Guidebook as it relates to RPMs. However, the Board specified that a registered trademark holder must demonstrate current use of the mark to be entitled to take advantage of some (but not all) RPMs. ICANN described in more detail the rationale for employing a proof of use standard to be eligible for Sunrise protection in an [explanatory memorandum](#) published in 2011.

As described in the memorandum, requiring demonstration of use from all

registered trademark holders is intended to help ensure that all registered trademarks receiving the same type of advantage from a particular RPM are evaluated at substantially the same level. In other words, all registered trademarks are treated equally. This requirement is intended to ensure that only holders of marks that demonstrate “use” are given the exclusionary right of Sunrise eligibility, in order to prevent abuses and provide equal treatment to all rights holders. This requirement is intended to benefit trademark holders in that it helps a trademark holder that has truly used its mark to identify and distinguish its products or services from others.

To be verified for proof of use in order to participate in Sunrise services, a Clearinghouse submission must include a signed declaration of use and a single sample of use, which are uploaded into the Clearinghouse interface with the trademark record submission. The text of the required declaration of use is included below:

[Name of submitting party] hereby certifies that the information submitted to the Clearinghouse is, to the best of [Name of submitting party] knowledge, complete and accurate, that the trademarks set forth in this submission are currently in use in the manner set forth in the accompanying specimen, in connection with the class of goods or services specified when this submission was made to the Clearinghouse; that this information is not being presented for any improper purpose; and that if, at any time, the information contained in this submission is no longer accurate, the [Name of submitting party] will notify the Clearinghouse within a reasonable time of that information which is no longer accurate, and to the extent necessary, provide that additional information necessary for the submission to be accurate. Furthermore, if any Clearinghouse-verified mark subsequently becomes abandoned by the Trademark Holder, the Trademark Holder will

notify the Clearinghouse within a reasonable time that the mark has been abandoned, or has been the subject of successful opposition, invalidation, cancellation, or rectification proceedings.

A single sample of use must accompany this declaration. In establishing the list of accepted samples, the guiding principle used was that a sample should be an item that evidences an effort on behalf of the trademark holder to communicate to a consumer so that the consumer can distinguish the products or services of one from those of another.

Accordingly, examples of acceptable evidence include items from either of the following categories:

- A. Labels, tags, or containers from a product; or
- B. Advertising and marketing materials (including brochures, pamphlets, catalogues, product manuals, displays or signage, press releases, screen shots, or social media marketing materials).

Examples of samples not accepted as adequate proof of use include:

1. Inclusion of a trademark in a domain name;
2. Email messages;
3. Licenses to use a trademark or applications for business licenses that include the trademark as part of the business name; or
4. Business cards.

The sample submitted must contain the complete name of the registered trademark as issued by the relevant jurisdiction, and as verified by the Clearinghouse.

A holder of a registered trademark that has been verified for acceptable proof of

use and thus has met the eligibility requirements for Sunrise as verified by the Trademark Clearinghouse (i.e., a “Sunrise-eligible rights holder”) has the opportunity to register domain names in new gTLD registries prior to the start of General Registration of domain names in the TLD. The trademark record that has been verified for proof of use will be issued an SMD file generated by the Clearinghouse. An SMD file is a token demonstrating that the Clearinghouse has verified minimum eligibility requirements for Sunrise; all registration of domain names during Sunrise periods must utilize SMD files. Essentially, having a verified trademark in the Clearinghouse gives rights holders the option to qualify for Sunrise eligibility by providing proof of use in order to participate in the Sunrise period, which is the maximum amount of protection offered by the Clearinghouse.

As shown by Figure 3-8 below, most rights holders submitting verified trademarks to the Clearinghouse (90%) also opted to have their marks verified for proof of use to be able to take advantage of the Sunrise period:

Sunrise Eligibility Activity

As of May 2015

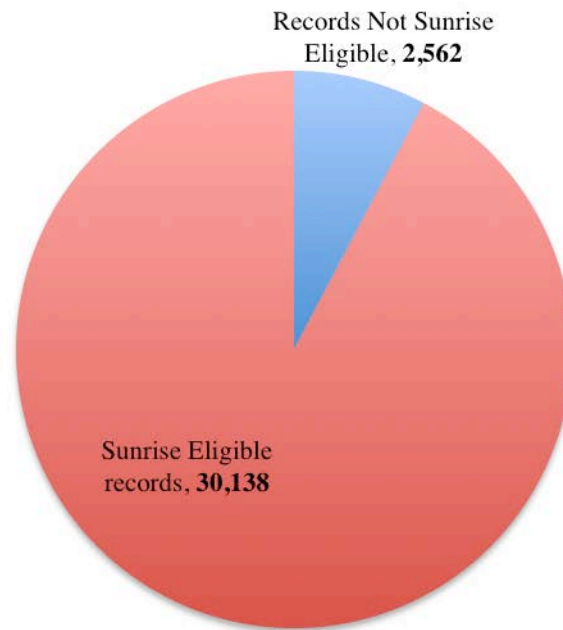


Figure 3-8

Source: Deloitte Monthly Trademark Activity Reports

Trademark records can have multiple SMD files since an SMD file can be revoked and a new one created when trademark data changes. This is counted as one SMD file. As shown by Figure 3-9 below, through 2014 December, 27% of SMD files have been used in at least one Sunrise period.

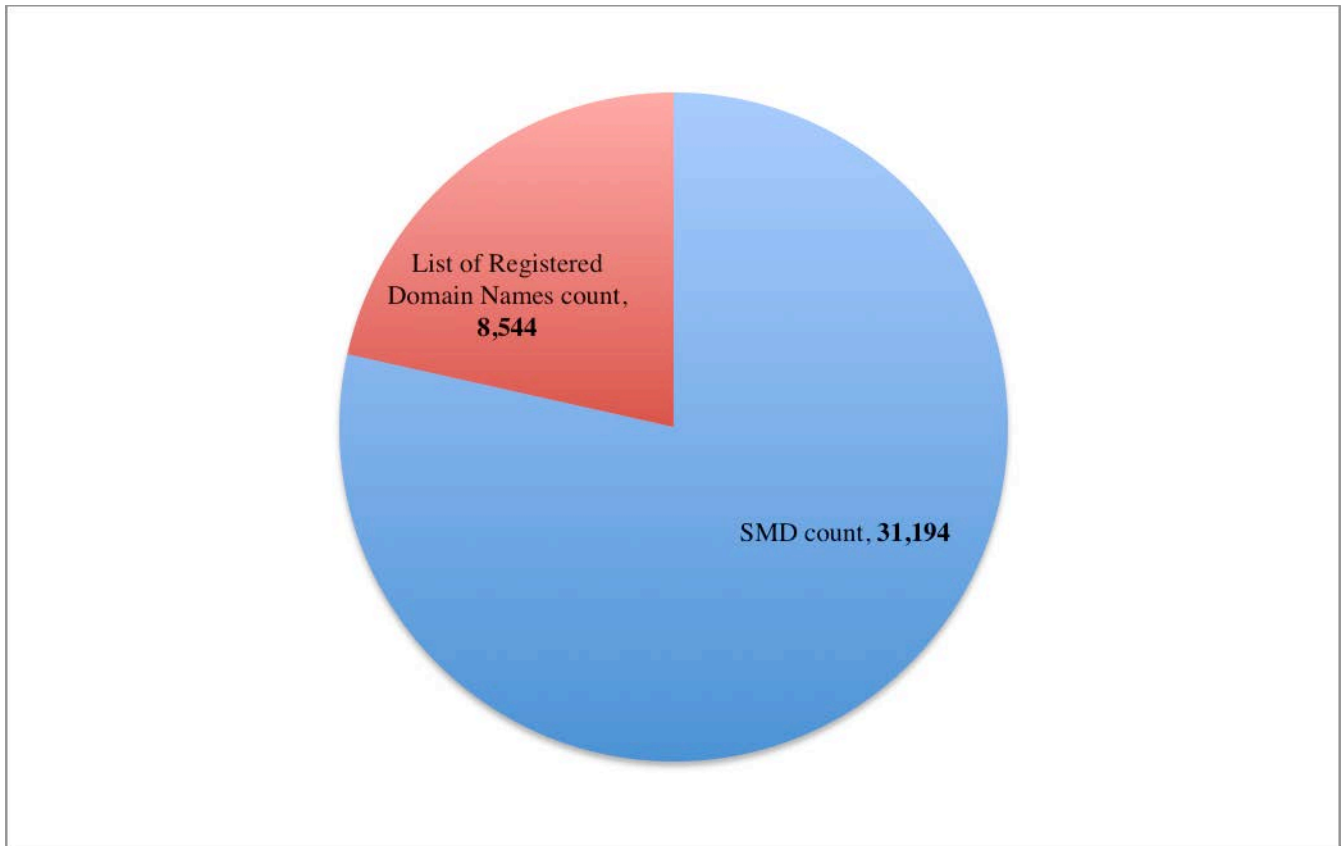


Figure 3-9

Source: IBM database

ICANN has received feedback around proof of use, particularly concerning the requirements, deemed overly strict by some, as the same evidence of use sufficient for renewal with the relevant jurisdiction may not be adequate in every case for what the proof of use verification requires for the Clearinghouse. Certain challenges in terms of satisfying the proof of use requirement were also identified by trademark holders. For instance, samples of use submitted that included extra text were not accepted. Others identified the process as being relatively time-consuming.

According to the Clearinghouse service providers, the main challenge for trademark holders in terms of satisfying the proof of use requirement is submitting the

sample of use as it must contain the exact name of the registered trademark as recorded in the trademark record. Another challenge is submitting a sample of use by trademarks that are not yet commercialized but already registered. However, once the mark is commercialized, the Clearinghouse will accept the late proof of use submission, which helps resolve the issue but may cause some trademark holders to miss a sunrise period of their interest.

Broad stakeholder discussions took place to develop the proof of use requirement, intended to ensure that all registered trademarks are treated equally in order to be eligible to participate in Sunrise periods. Requirements related to proof of use may be taken into account as a larger topic for consideration in policy development and other community discussions.

3.4 Matching Rules

When trademark information is submitted to the Clearinghouse, a set of matching domain name labels is generated, corresponding to that trademark record. The domain names associated with each Clearinghouse record are generated according to a defined set of matching rules.

The Clearinghouse database is structured to identify when a domain name is considered an “identical match” with the mark in the Clearinghouse. For purposes of the Sunrise and Trademark Claims services, “identical match” means that a domain name consists of the complete and identical textual elements of the mark. In this regard:

-
- (i) Special characters “@” and “&” contained within a trademark may be spelled out with appropriate words; and
 - (ii) Other special characters contained within a mark that are unable to be used in a second-level domain name may either be: (a) omitted; or (b) replaced by hyphens.

Plural versions of a mark or domain names containing the mark are not considered an identical match for purposes of these services. The matching rules are intended to provide an objective, automatable way of determining a match, rather than the Clearinghouse making subjective determinations.

Up to ten domain names corresponding to one trademark record are included in the initial cost of verification by the Clearinghouse. If there are more than ten domain names corresponding to the record, the user can pay a fee to have those additional names associated with the record.

ICANN continues to receive feedback regarding the “identical match” definition, specifically, that ICANN should consider expansion of the matching rules to include plurals, “marks contained” or mark+keyword, and common typos of a mark. The matching rules are intended to support protection of trademarks during the domain name registration process by providing an objective, automatable way of determining a match, rather than the Clearinghouse making subjective determinations. Indeed, an expansion of this requirement could require subjective judgment on which domain names are determined to be a “match” to a trademark, on a case-by-case basis. There may be a middle ground between existing matching rules and completely subjective judgment, e.g., additional algorithms to determine matches. ICANN has reviewed the suggestions made by the community in regard to the matching rules and this may be a

topic considered in additional community discussions. In addition, the scope of matching was one area identified by the GAC in [recommending an independent review](#) of the Trademark Clearinghouse, and this topic is expected to be explored in that review as well.

3.5 Misuse of Data

During the implementation of the Trademark Clearinghouse, some rights holders expressed concerns related to the aggregation of mark data through the Clearinghouse, such as possible exposure of their brand protection strategies or competitive intelligence. If the Clearinghouse database were to be freely searchable and accessible, it could be possible to identify a rights holder's gaps in its intellectual property protection strategies.

For example, it might be possible to identify jurisdictions in which a rights holder has and has not registered its trademarks, or in which TLDs it has and has not chosen to defensively register domain names. In this regard, this information could also be used for purposes such as conducting phishing or other types of social engineering attacks.

Additionally feedback was received expressing concern that some registries may be misusing the TMCH data by designating terms as premium names, which attract higher prices than regular Sunrise registrations.

These concerns were taken into account along with the need for provision of access to registration service providers to this data. For example, registrars need to be able to present the relevant trademark data to potential registrants in claims notices, as

well as the ability to confirm that the registrant's trademark data is verified and correct during the Sunrise period.

To minimize potential for abuse, the Clearinghouse was not designed to facilitate extensive searching to be done in a manner where a trademark holder's entire portfolio could be easily accessed. Furthermore, to balance implementation of the service with data misuse concerns, the Clearinghouse applies varying levels of technological and contractual restrictions depending upon the type of data accessed and the sensitivity of the data.

ICANN also received feedback on the search and query functions. While some commenters were not in favor of implementing any search function, others showed interest in further exploring this option.

3.6 Communications

As part of launching the Trademark Clearinghouse, strategic communications efforts were undertaken by ICANN, Deloitte, and IBM, as well as many others, including registrars and TLD applicants, to achieve the desired public understanding and awareness level regarding the Clearinghouse. The goal was to reach trademark holders worldwide to inform them of the services related to the Clearinghouse via webinars and Q&A sessions.

Webinar topics varied according to the Trademark Clearinghouse functions performed by ICANN, IBM, and Deloitte. Specifically, ICANN webinars focused mostly on RPMs, and on providing an overall view of the ongoing Clearinghouse activities. For

unanswered questions during the webinar due to time constraints, a Q&A document was published on the [webinar page](#) by ICANN following each discussion.

Accordingly, IBM webinars tended to be Trademark Database related, while Deloitte’s webinars were mainly centered on the topics of eligibility requirements and the verification process. In addition, Deloitte was available to partner with registries and engaged in joint efforts with several registries to help increase awareness of the New gTLD Program and the availability of the Clearinghouse to trademark holders.

In order to further improve communication, support registries and TLD applicants, and provide notice of new gTLD related information early on for public viewing, ICANN created the [TLD Startup Information - Sunrise and Claims Period](#) page on the New gTLD microsite. This page provides rights holders with the latest information on new gTLDs that have been delegated, such as important dates for the Sunrise period, Trademark Claims and other periods, registration requirements and additional information, such as policy documents. Similarly, Deloitte also added a [Sunrise Dates](#) page to assist rights holders in the domain name registration process in any of the new gTLDs that have launched.

Table 3-3 below includes the communications efforts by topics most frequently presented on by ICANN, IBM, and Deloitte in an effort to explain to the community the various Trademark Clearinghouse functions:

ICANN Webinars/Announcements	(June 2013 - Jan 2014)
New gTLD Program Update RPMs	4
URS	2
RPMs	1

Clearinghouse & IDNs	1
IBM Webinars/Announcements	(July 2013 - May 2014)
General Sunrise & Claims	2
TMDB registration, configuration and testing for Registries	2
TMDB web client registration (Registrar)	2
TMDB Claims services for Registrars	4
Introduction to Abused Name Labels and impact on Claims	2
TMDB Explained	2
Deloitte Webinars	(March 2013 – May 2014)
Clearinghouse User Interface: pre-launch	1
Eligibility Requirements & Registration process	4
Clearinghouse Renewals	6
Clearinghouse Agents	5
Educational Webinars	11
Educational Webinars + Introducing a TLD	11
API Test Environment	1
Protecting your trademark in Internationalized Domain Names (IDNs) and new gTLDs	1

Table 3-3

Source: ICANN, Deloitte, IBM

Table 3-4 below shows the topics most frequently included in the Q&A documents posted on the [webinar page](#) following ICANN presentations:

Webinar Question Topics

ICANN Q&A	(June 2013 - January 2014)
RPM Requirements	20
Trademark Clearinghouse	11
Trademark Verification Process	11
SMD Files	4
Sunrise and Claims Processes	6
URS	1
TLD Startup Information process	1

Table 3-4

Source: *icann.org*

ICANN received feedback from the community expressing interest in the effectiveness of the outreach based on percentage of penetration to mark holders by region. Figure 3-9 below is a graph comparing, per region, the sum of targeted webinars conducted by ICANN, IBM, and Deloitte, the sum of jurisdictions for registered trademarks, the sum of total submissions and submissions verified.

Outreach Efforts vs. Trademarks Submitted

March 2013 - May 2015

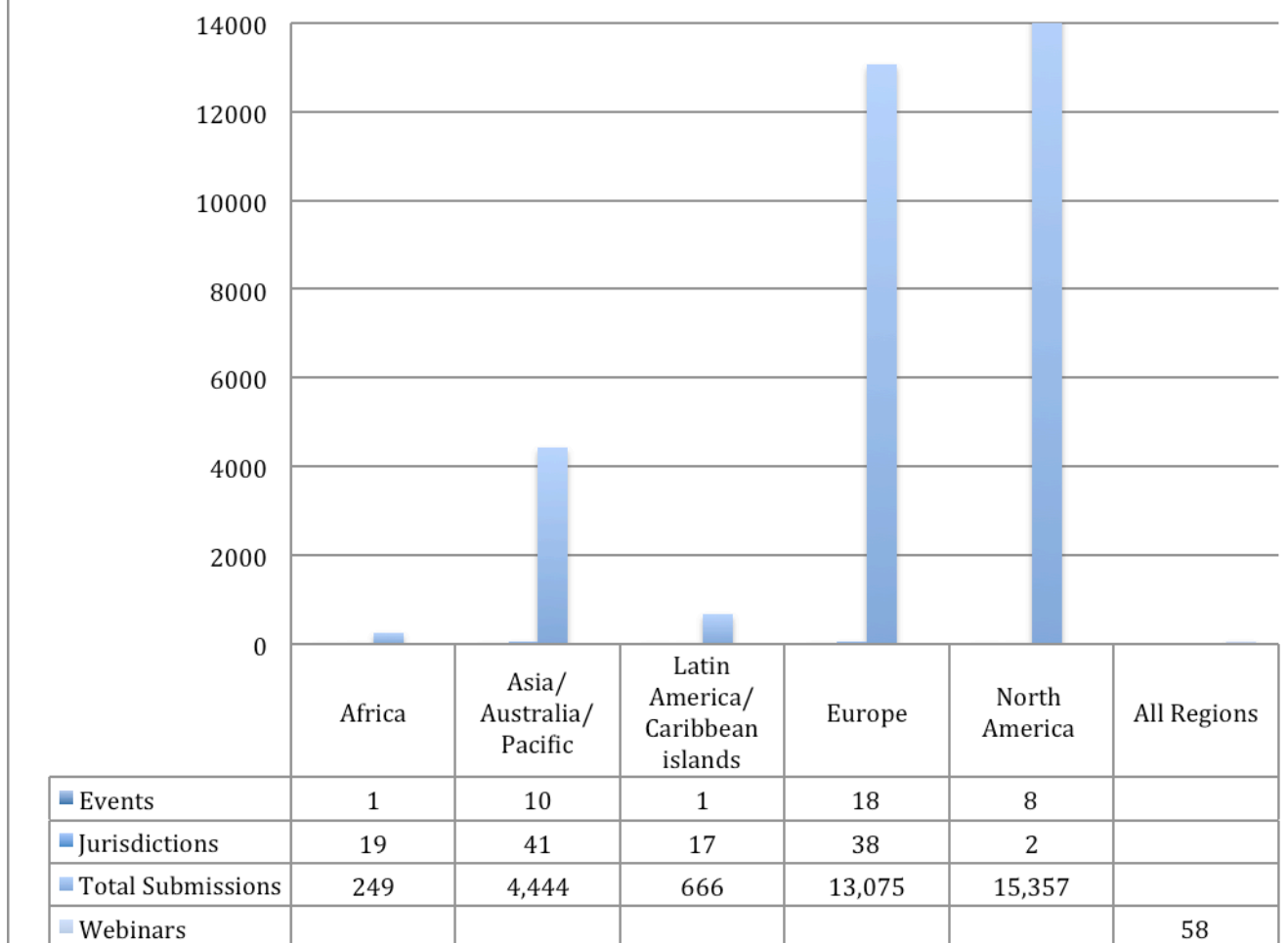


Figure 3-9

Source: Deloitte Monthly Trademark Activity Reports

Below is a series of questions relating to the topics discussed in section 3. Public comment was encouraged on these questions as well as any other topics relevant to this section.

Section 3 Questions

- a. What were the challenges, if any, in terms of satisfying the requirements for trademark inclusion into the Clearinghouse?
- b. Were there any challenges related to marks from specific jurisdictions in relation to the Clearinghouse guidelines?
- c. Was the verification process successful in restricting non-eligible trademarks?
- d. What factors could be considered to make the trademark verification process more effective?
- e. What factors could be considered to make the process of updating Clearinghouse records more effective?
- f. Did the Clearinghouse structure successfully balance implementation of the services with data misuse concerns?
- g. Do the Clearinghouse benefits outweigh the concerns about distribution of data?
- h. Were any issues identified relating to misuse of Clearinghouse data?
- i. Was the proof of use requirement helpful in meeting the goals of a creating a standard that accommodates practices from multiple jurisdictions?
- j. What were the challenges, if any, in terms of satisfying the proof of use requirement?
- k. Was the proof of use requirement successful in restricting the Sunrise period to Sunrise-eligible rights holders?
- l. What factors could be considered to make this process more effective?
- m. Should the verification standards in the Clearinghouse Guidelines be adjusted in one or more areas?
- n. Could verification standards used by the Clearinghouse be adjusted to better serve rights holders in all global regions?
- o. To the extent that gaming is occurring, could this be prevented by modification to the verification standards?

Section 3 Comments

Administrative challenges were identified around the trademark verification process and proof of use requirements, particularly relating to:

- Satisfying the “registration date” requirement.
- Seeking additional explanation on what is required to correct a rejection of a mark submission.
- Providing actual registration certificates in cases where the jurisdiction lacks an online trademark database that can be used for verification.
- Using the TMCH document upload system.
- Obtaining translation of certificates, particularly class descriptions.
- Entering any non-Latin text into the form provided by the TMCH.
- Rejection of samples of use submitted that include extra text, as it must contain the exact name of the registered trademark as recorded in the trademark record.
- Submitting a sample of use for trademarks that are not yet commercialized but already registered.

Possible considerations for improvement on how to make these processes more effective were proposed by the community. Due to the complexity of the topics discussed in this section, implementing some of the additional modifications would require altering the substance of these processes and may need to be explored further in future community discussions. The community suggestions are listed below:

- Addition of an electronic signature option for declaration of use.
- Synchronizing registered marks submissions with authoritative records databases for the relevant jurisdictions.
- Implementing a grace period for trademark owners to correct problems with their registrations.
- Greater outreach, especially in regions shown to have underutilized the TMCH.
- Modification of TMCH Guidelines to exclude the registration of “design marks.”
- Exemptions for specific countries from being required to submit proof of use when such evidence is already approved by the relevant jurisdiction.
- Expansion of the matching rules to include plurals, “marks contained” or mark+keyword, and common typos of a mark.
- Potential additional services such as query functions.

4 Sunrise Period

The Sunrise period allows trademark holders an advance opportunity to register domain names corresponding to their marks before names are generally available to the public. Registration of domain names in the TLD during the Sunrise period is restricted to Sunrise-eligible rights holders, as demonstrated by an SMD file generated by the Trademark Clearinghouse.

New gTLD registries are required to offer a Sunrise period of at least 30 days. This can occur in line with one of two options:

- (i) In the case of a **Start-Date Sunrise**, the Registry Operator must provide the service for a minimum of thirty (30) calendar days prior to General Registration and must provide thirty (30) calendar days' notice prior to the start of the Sunrise period.
- (ii) In the case of an **End-Date Sunrise**, the Registry has no advance notice requirement; however, the Registry Operator must provide the service for a minimum of sixty (60) calendar days prior to General Registration, and must not use a time-based allocation method (e.g., first come, first served).

The majority of registries who have launched to date have offered an End-Date Sunrise, as shown in Figure 4-1 below.

Types of Sunrise Periods

As of June 2015

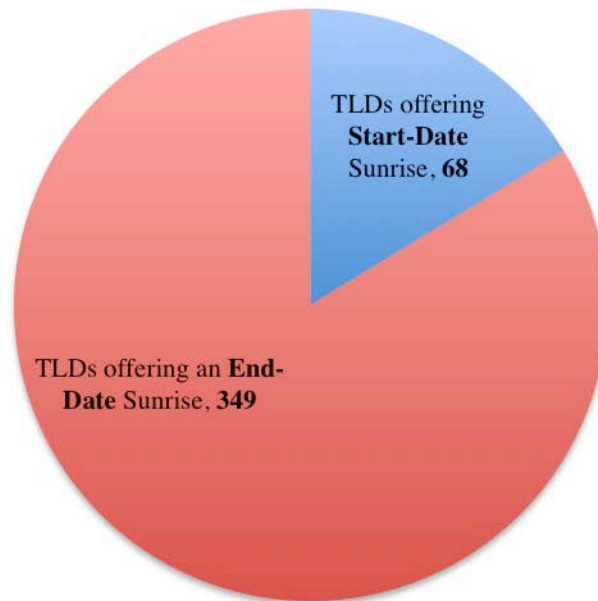


Figure 4-1

Source: TLD Startup Information submitted to ICANN

Although many previous TLD launches (for example, .ASIA, .MOBI, .XXX) included Sunrise periods, they were not mandatory. Rather, Registry Operators designed [Sunrise periods](#) in a variety of ways to fit their TLD models. With the introduction of a mandatory Sunrise period for all new gTLDs, ICANN worked with the community to create a set of [minimum requirements](#) for Sunrise processes, which are part of the obligations under the Registry Agreement.

Figure 4-2 below illustrates the number of monthly Sunrise period registrations between December 2013 and May 2015, with an average of 2,448 registrations across all gTLDs occurring per month:

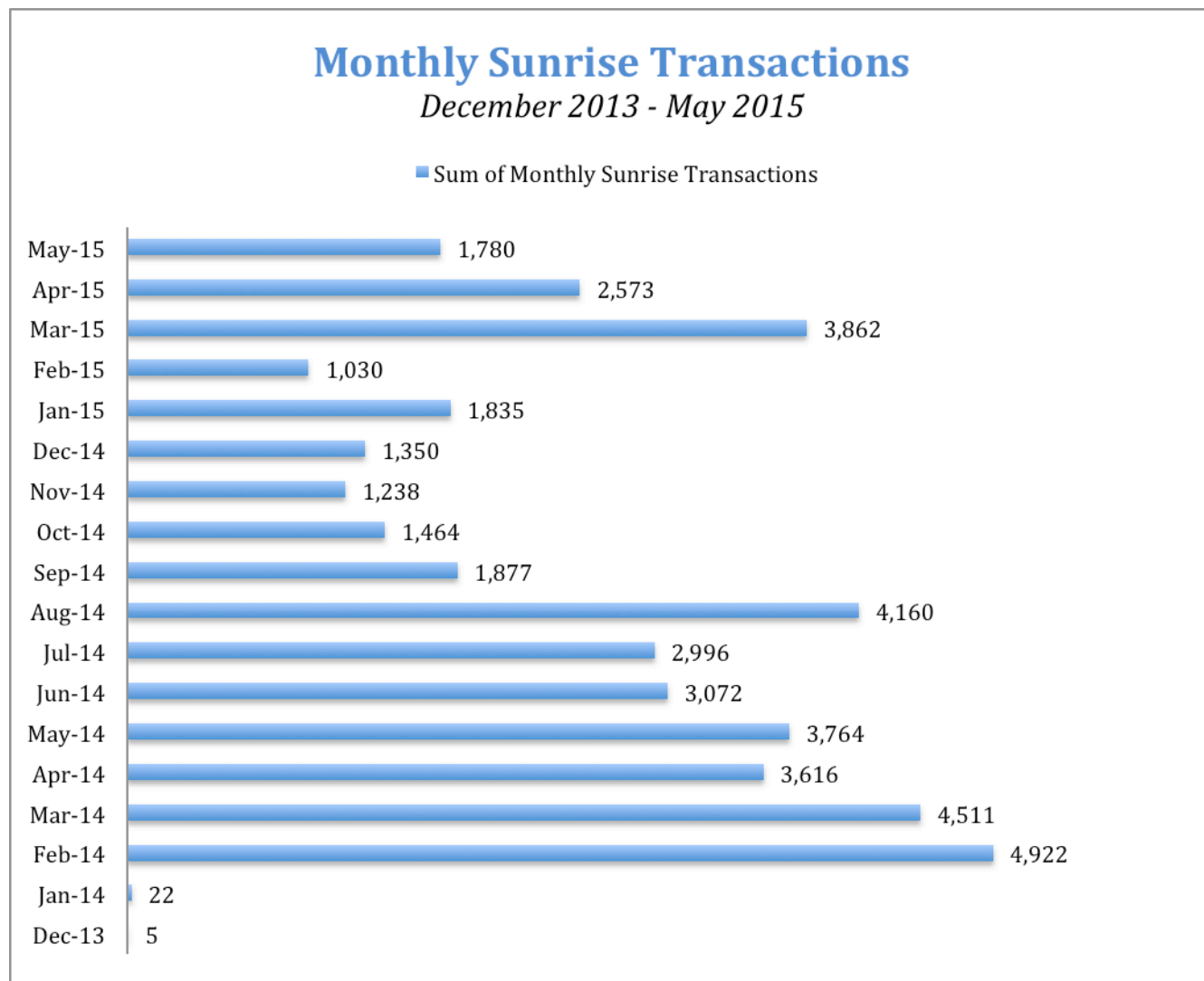


Figure 4-2
Source: IBM Monthly Invoice

Sum of TLDs with initiated Sunrise period (June 2015)	417
Sum of Sunrise Transactions (May 2015)	44,077

Table 4-1 below shows the gTLDs with the largest number of registrations occurring during the Sunrise period for the reporting periods between December 2013 and May 2015:

TLD	Sunrise Transactions
1. porn	2,091
2. adult	2,049
3. London	799
4. clothing	676
5. website	633
6. luxury	523
7. nyc	482
8. international	479
9. company	469
10. Tokyo	462
11. video	452
12. club	450
13. boutique	437
14. technology	432
15. reviews	431
16. watch	428
17. global	424
18. social	409
19. community	406
20. fashion	398

Table 4-1

Source: IBM Monthly Invoice

4.1 General Feedback

A variety of feedback has been received to date in terms of challenges faced during the Sunrise period, including from the perspective of Sunrise registrants. Primarily, ICANN received feedback that it is sometimes difficult to identify an eligible registrar for a particular TLD, suggesting that all registries should provide a list of accredited registrars on their websites. Concern was also expressed over Sunrise registrations only being available for domain names that are considered to be an “identical match” to the trademarks, while third parties may register trademarks that contain extra generic text abusively.

Furthermore, feedback was received requesting that ICANN incorporate contractual compliance complaints related to RPMs into its review. Table 4-2 below illustrates the sum of Sunrise period complaints that were processed during the informal resolution phase (i.e., complaints that have not reached enforcement or a breach). To date there have not been any complaints for New gTLDs that have reached the formal resolution phase (i.e., complaints that have reached enforcement or a breach).

Informal Complaint Volume by Type	14- Jun	14- Jul	14- Aug	14- Sep	14- Oct	14- Nov	14- Dec	15- Jan	15- Feb	15- Mar	15- Apr	15- May	15- Jun	Total
Sunrise	-	1	1	-	1	-	-	-	-	5	1	1	21	31

Table 4-2

Sources: ICANN Databases and [dashboards](#)

The feedback received also addresses difficulties with locating information regarding the requirements and start dates of the Sunrise Periods. Suggestions on how to make the Sunrise process more effective include having a more regular and scheduled Sunrise Period, such as implementing a single uniform 60-day End-Date

Sunrise system in order to minimize the confusion and costs to registrants, as well as providing trademark owners with a clearer advance notice of Sunrise Periods.

Another issue expressed by the community concerns the prices being charged for domain name registrations during the Sunrise period. Some feedback indicates that rights holders may be turning down the option to participate in certain Sunrise periods due to the cost, including cases where a domain name might be subject to an auction or other allocation mechanism for premium names by the registry. One suggestion received to mitigate this issue involves requiring a registry to publish its list of premium names on its website. Others suggest providing a definition for the criteria of “premium names,” and building in a mechanism to challenge the designation of such a “premium” status. It may be noted that a set of recommended metrics for assessing the New gTLD Program concerns wholesale and retail prices, including practices during startup, renewal and later phases. An [economic study is planned](#) that will provide further analysis in this area.

One of the dimensions of this economic study may include examination of patterns in Sunrise pricing and how these patterns change with new gTLD releases. The economic study, however, is not directed at providing solutions to pricing concerns expressed in the comments. As stated in Section 1.4 of the Registry Agreement, ICANN has no authority to prescribe or limit the price of Registry Services.

Based on the feedback received, the community did not specifically request that ICANN take action regarding the high Sunrise registration fees. Instead, greater transparency is desired in regard to setting reserved lists and more information is requested on the criteria for premium names in order to gain a better understanding of

which names are considered premium and why.

Furthermore, concern was expressed over the communications relating to treatment of names on SLD Block Lists (associated with the [name collision issue](#)), during the Sunrise period, for example, a registrar informing a rights holder that the name requested is unavailable and that it has been frozen by ICANN, without additional context.

Lastly, feedback has been received regarding inconsistent SMD file acceptance by registrars and other possible uses for the SMD file. An SMD file is similar to a password in the sense that it allows you to identify yourself and request an action that requires privileges to be executed. As described in section 3, in the domain name registration process, the purpose of an SMD is to show that the Clearinghouse has verified a mark, and that the minimum eligibility requirements have been met to request the registration of domain names during the Sunrise period of a TLD. Consequently, an SMD file could be a useful verification tool in many processes, such as providing proof of verification by a complainant submitting a URS case.

4.2 Limited Registration Periods

A Limited Registration Period (LRP) is any registration period between the end of the Sunrise Period and the start of General Registration. (In some cases this is referred to as a “landrush” period, although this term is used in various ways and is not a defined term by ICANN. “Landrush” is also sometimes used to refer to an initial phase of General Registration. If a “landrush period” has eligibility requirements that limit the

availability of domain names to registrants satisfying certain conditions, then the “landrush period” would be considered an LRP and not the beginning of General Registration.)

LRPs are optional for registries. It is possible for an LRP to overlap with the Sunrise period, so long as all Sunrise registrations are allocated prior to any LRP allocations (i.e., a registry could accept requests for domain names meeting the LRP requirements during its Sunrise period, but all eligible Sunrise registration requests would receive priority over LRP registration requests).

The LRP is intended to provide additional flexibilities for registries who may wish to make domain names available for registration during an early phase, usually to a closed group based on requirements other than trademark rights. As per the RPM requirements in the Registry Agreement, an LRP must have some registration restriction that limits domain names from being generally available to all registrants that are qualified to register domain names within the TLD. In addition, any registration during an LRP must be subject to the Trademark Claims services in the same manner as occurs during the mandatory Trademark Claims period.

Approximately 35% of new gTLDs launched to date have implemented an LRP, as shown below. On average, LRPs have lasted around 50 days with some domain names being auctioned or given out on a “first come, first-served” basis.

Limited Registration Period

As of May 2015

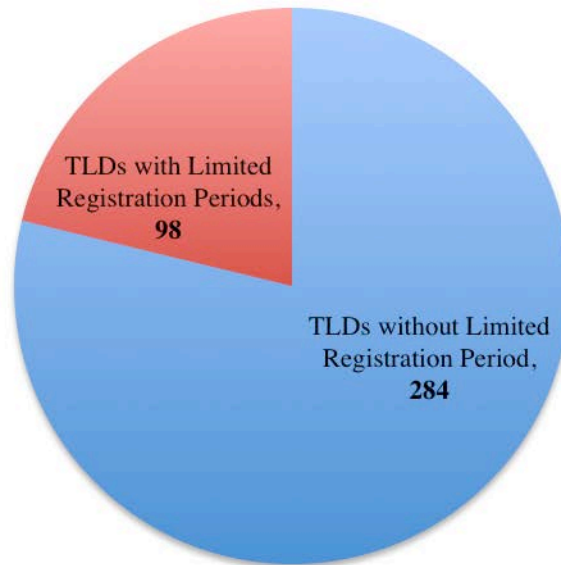


Figure 4-3

Source: TLD Startup Information submitted to ICANN

ICANN has received feedback expressing satisfaction with Limited Registration Periods as a useful part of registry launch processes; however, a few cite challenges with costs and in keeping informed of timing and requirements of individual Limited Registration Periods as they were not always well publicized or understood, suggesting they should be announced more widely with all the details and applicable criteria. ICANN takes note of the operational challenges related to this process, such as cost and lack of awareness, and could take them into consideration as part of TLD startup processes in future New gTLD Program review discussions.

4.3 Approved Launch Programs & Qualified Launch Program

In regard to the requirements for Sunrise periods, ICANN has received feedback from registry operators requesting greater flexibility and fewer restrictions as to how to set up TLD launch processes. In many cases, registries believed they were hampered by the requirement to grant Sunrise registrations priority over any other registrations in the TLD.

As provided for in the RPM Requirements, registries had the ability to submit a request for an Approved Launch Program (ALP). If a program was approved by ICANN according to this process, the Registry would be allowed to conduct a registration process not otherwise permitted under the Trademark Clearinghouse Requirements specified in the Registry Agreement. ICANN [posted a process](#) by which Registry Operators and applicants were able to apply for ALPs in November 2013. To date, ICANN has received 41 applications for ALPs. Common themes among many of the proposed launch programs included the desired allocation of domain names as additional marketing tools prior to Sunrise, and desired protections for “public authority” categories of names, such as subdivisions or districts of a city or region.

With this in mind, ICANN consulted with the community to develop a solution that would take into account these comments while retaining the required intellectual property protections. The result was to permit registries to use a limited number of names in connection with registry launch activities, so long as those names did not conflict with the rights protection mechanisms required by the Registry Agreement.

The [Qualified Launch Program \(QLP\)](#), launched on 10 April 2014, gives registry operators the opportunity to register up to 100 domain names to third parties prior to the Sunrise Period for purposes of promoting the TLD, under certain conditions. The QLP was developed to support the goals of a number of Launch Program applications received by ICANN and was intended to be a more efficient mechanism than asking registries to apply individually for ALPs.

Below is a timeline illustrating a decline in ALP requests received after the introduction of the QLP in April 2014.

Qualified Launch Program (QLP) & Approved Launch Program (ALP) Timeline

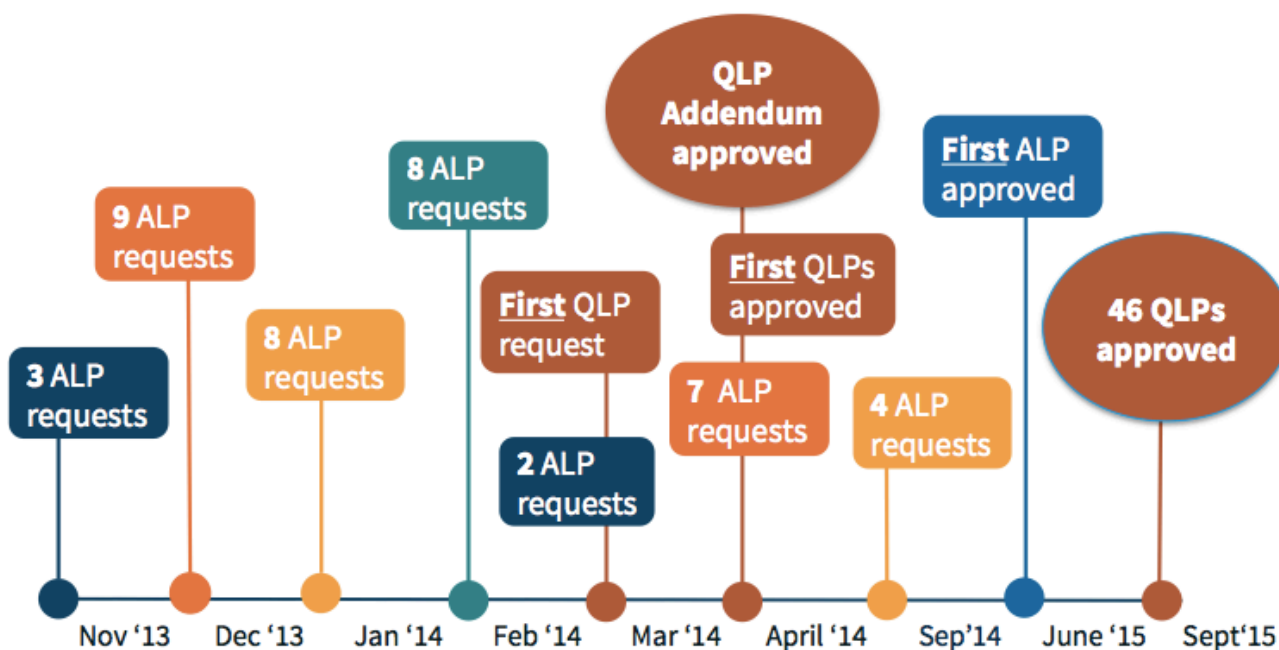


Figure 4-4
 Source: TLD Startup Information submitted to ICANN

Under the QLP, a limited number of names may be allocated by the registry in advance of the Sunrise period. If a domain name matches a label in the Clearinghouse, the domain name may be registered to a Sunrise-eligible rights holder, as defined in the Trademark Clearinghouse Requirements. If a domain name does not match a label in the Trademark Clearinghouse, the domain name may be registered in a QLP to any third party. Names may also be registered to public authorities under the QLP, subject to certain requirements.

To date, out of the 41 Launch Program applications received, one was approved, 10 of them successfully transitioned to a Qualified Launch Program, and an additional 46 requests were received and approved from registries seeking to run a Qualified Launch Program.

Sum of ALP applications	42
ALP applications before release of QLP Addendum	37
ALP applications after release of QLP Addendum	5
ALPs posted for public comment	3
ALPs approved	1
ALPs withdrawn/closed	31
ALPs that transitioned to QLP	10
Pending ALP applications	0
Sum of QLP applications approved (includes the 10 ALPs that transitioned to QLP)	46

ICANN has received feedback expressing that the QLP is sufficiently flexible and useful for registries in launching and promoting their TLDs, however, in some situations the effectiveness of the QLP was limited where generic terms relevant to the TLD

conflicted with names in the TMCH, suggesting that the QLP be expanded to allow for registrations that match strings in the TMCH in cases where the use of the domain would not infringe on the relevant trademark. Others express concern that the QLP gives preference to business partners above Sunrise-eligible rights owners and risks circumventing the RPMs. In addition, some state that the QLP proved inadequate for geographic TLDs due to the limitation of 100 domains per TLD.

Concern was also suggested with regard to the lack of transparency into ICANN's handling of ALP applications, and requested that ICANN be more transparent regarding its acceptance or rejection of these applications. In order to provide transparency, all launch program statistics have been included in the Draft Report to provide the community with additional clarity on ALP requests. ICANN communicated with requestors directly in responses to requests that were denied, and ALP guidelines do not provide that the original applicant submissions or correspondence are to be made publicly available.

Where an ALP request has been under consideration by ICANN, ICANN has posted these for comment: three ALP applications have been published for public comment since announcing the opening of the application [process](#) in November 2013. As of this writing, one ALP approved by ICANN will be posted along with the registry's TLD Startup Information when submitted.

ICANN agrees that transparency is an important part of the review of proposed startup plans, and will continue to support this principle as these processes are reviewed and discussed. In light of this, ICANN has been transparent about all requests received

and has posted three ALP applications for comment. ICANN also notes the suggestions regarding potential improvements to the ICANN TLD Startup Information page.

4.4 Sunrise Dispute Resolution Policy

As specified in the Registry Agreement, each Registry Operator must provide a mechanism to resolve disputes regarding its registrations of Sunrise registrations. Each Registry Operator must develop a Sunrise Dispute Resolution Policy (“SDRP”) to allow challenges to Sunrise Registrations related to Registry Operator’s allocation and registration policies, including on the grounds that the domain name that was registered does not match the trademark record on which the Sunrise-eligible rights holder based its Sunrise registration. The SDRP is a required element of each registry’s TLD Startup Information and is published on ICANN’s website; however, registries are not currently required to report data relating to this policy, such as the outcome of disputes.

ICANN has not received extensive feedback on the SDRP; however, some report that the process is straightforward while others states that the requirements of the SDRP are unnecessarily burdensome to registry operators.

4.5 Reserved Names

ICANN has received a number of questions and comments on the topic of reserved names and their interaction with the required Sunrise period and RPM Requirements.

Under Section 2.6 of the Registry Agreement, registries have discretion to establish reserved name policies. Under Specification 5 to the agreement, a registry operator may activate in the DNS at all levels up to one hundred names necessary for the operation or the promotion of the TLD. As provided in the QLP (discussed above), registries may use some of the 100 names for allocation prior to Sunrise.

In addition, a registry operator may withhold from registration or allocate to itself names at all levels of the TLD. These names may not be activated in the DNS, but may be released for registration to another person or entity at Registry Operator's discretion.

Figure 4-5 below shows the provisions regarding reserved names under Specification 5 as well as the provision for QLP names under Specification 7.

Registry Agreement

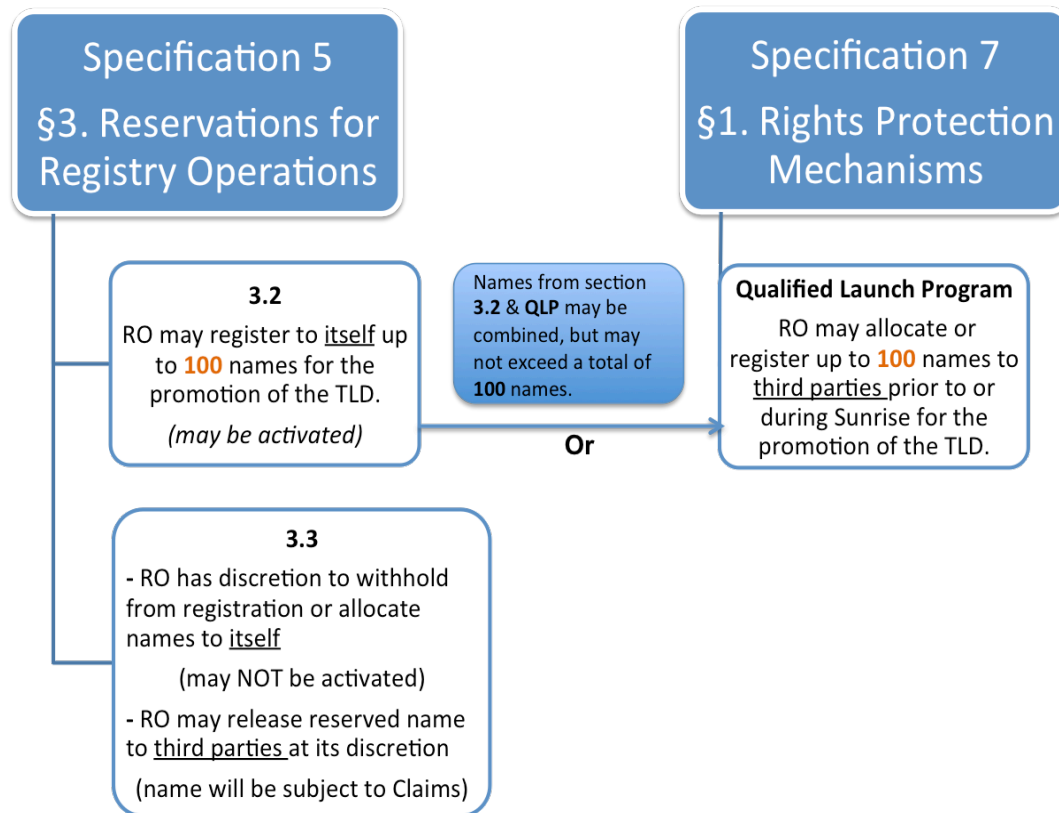


Figure 4-5
Source: ICANN

All domain names that are released from reservation for registration are subject to Section 2.4.3 of the Trademark Clearinghouse Rights Protection Mechanism Requirements. Under section 2.4.3 of the RPM Requirements, a reserved name released during the Claims period must be subject to the Claims service. If a reserved name is

released after the Claims period, it must also be subject to the Claims service for 90 days. The Claims service will result in a notification of registered name (NORN) to any rights holders with matching records in the Trademark Clearinghouse. The Claims requirement was put in place to ensure a minimum level of protection, especially if a reserved name is allocated to a third party without having been available for the Sunrise period.

ICANN has heard some concerns over the technical feasibilities of operating a Claims period for reserved names that are released at a later date.

Additionally, ICANN has heard concerns over the discretion of registries to reserve names and release them at a later time, thus potentially deliberately circumventing the Sunrise period. However, it has been reported that upon request, registries are sometimes willing to remove these names from their reserve list or decrease the registration fees.

ICANN has received suggestions such as limitations on the number of names that can be reserved, giving holders of corresponding TMCH-verified trademarks a right of first refusal once a reserved name is released, and establishing procedures for challenges to a registry's reserved names list, or time constraints on activating previously reserved names. Others suggested possible improvements including requiring publication of the reserved names list 60 days prior to Sunrise, as well as a 60-day notification of the addition or removal of names.

Furthermore, feedback was received requesting that ICANN incorporate contractual compliance complaints related to RPMs into its review. Table 4-3 below illustrates the sum of reserved names and controlled interruption complaints that were

processed during the informal resolution phase (i.e., complaints that have not reached enforcement or a breach). Reserved names and controlled interruption complaints are counted as one type of complaint in the compliance submission process.

To date there have not been any complaints for New gTLDs that have reached the formal resolution phase (i.e., complaints that have reached enforcement or a breach).

Informal Complaint Type	14- Jun	14- Jul	14- Aug	14- Sep	14- Oct	14- Nov	14- Dec	15- Jan	15- Feb	15- Mar	15- Apr	15- May	15- Jun	Total
Reserved Names/ Controlled Interruption	24	24	53	30	32	24	14	14	6	12	20	9	8	270

Table 4-3

Sources: ICANN Databases and [dashboards](#)

Additional input was received requesting that ICANN contractually obligate registries to provide a daily list of current reserved names, including fees for each name if it were to be made publicly available on a website. Furthermore, some feedback suggested there should be domain check commands returned with a message that a domain is reserved. Input received regarding the reserved list also suggests that a notice should be sent to registrars when names are added or deleted from the reserved list. The other option could be to have an assigned place for registrars to download the updated lists daily.

ICANN takes note of the concerns expressed relating to reservation and release of domain names, and welcomes the suggestions received. This may be a relevant topic for

future policy development discussions, as Specification 1 of the [Registry Agreement](#) includes in its enumeration of issues that may be subject to consensus policy:

“reservation of registered names in the TLD that may not be registered initially or that may not be renewed due to reasons reasonably related to (i) avoidance of confusion among or misleading of users, (ii) intellectual property, or (iii) the technical management of the DNS or the Internet (e.g., establishment of reservations of names from registration).”

Below is a series of questions relating to the topics discussed in section 4. Public comment was encouraged on these questions as well as any other topics relevant to this section.

Section 4 Questions

- a. How effective is the Sunrise period for protecting intellectual property rights?
- b. Are the Start-Date Sunrise and End-Date Sunrise alternatives useful?
- c. What were the challenges, if any, in terms of registering a domain name during the Sunrise period?
- d. What factors can be addressed to make Sunrise processes more effective?
- e. Did having a set of Sunrise minimum requirements across TLDs provide for increased efficiencies in registration processes? Were there advantages and disadvantages to the required Sunrise for rights holders? For Registry Operators?
- f. Did the use of SMD files help streamline the process? Were there any technical issues encountered, and if so, what were they?
- g. Is there an appropriate balance of registry discretion to reserve names from registration and the inclusion of names in the required RPMs? Should

-
- additional considerations be applied around registry allocation practices and their interaction with the required RPMs?
- h. Were Limited Registration Periods a useful part of registry launch processes?
 - i. What were the challenges, if any, in terms of registering domain names during Limited Registration Periods?
 - j. Did registries find that registrants took advantage of Limited Registration periods?
 - k. Was the QLP useful for registries in launching and promoting their TLDs? What were the challenges, if any, in terms of operating a QLP? What factors, if any, would make it more effective?
 - l. Did the QLP succeed in maintaining safeguards against intellectual property infringement? Were any intellectual property infringement issues noted with regard to names issued as part of a QLP?
 - m. Are there similar programs that could be built into TLD Startup processes that would support registry startup while maintaining safeguards against intellectual property infringement?
 - n. How useful was the SDRP in resolving disputes?
 - o. What were the most common types of disputes?
 - p. What were the challenges, if any, in using the SDRP?
 - q. What factors could be addressed to make Sunrise processes more effective?

Section 4 Comments

Challenges and concerns were identified by the community during the public comment period, particularly relating to the topics discussed in this section, such as:

- Finding information regarding the requirements and start dates of various Sunrise periods.
- Establishing which registrars are participating in the Sunrise for a particular registry.
- Reported inconsistent SMD file acceptance by registrars.
- Difficulty locating which trademark terms are reserved.
- Reservation and release of domain names (e.g., Registry discretion to reserve domain names by withholding well-known trademarks from Sunrise, registry discretion to release domain names to third parties).
- Higher registration prices of “premium” names than regular Sunrise registrations.
- Lack of awareness regarding the LRP option.

Suggestions were made by the community on how to enhance these mechanisms. Given the complexity and interrelation of these topics, further community discussions are required prior to implementing the suggestions listed below:

- Providing trademark holders of the corresponding TMCH-verified trademark with right of first refusal once a reserved name is released.
- Establishing a definition for “premium names.”
- Building in a mechanism to challenge the designation of a “premium status.”
- Establishing a more regular and scheduled Sunrise Period (e.g., a single uniform 60-day End-Date Sunrise system).
- Using authorization codes to convey proof of use instead of SMDs.
- Making Sunrise registrations available not only for domain names that are considered to be an “identical match” to the trademarks, but also for trademarks that contain extra generic text.
- Announcing LRPs more widely with all the details and applicable criteria.
- Expanding the QLP to allow for registrations that match strings in the TMCH in cases where the use of the domain would not infringe on the relevant trademark.
- Increasing the 100 domains per TLD limit in the QLP for geographic TLDs.

5 Trademark Claims Service

The Trademark Claims period follows the Sunrise period and runs for at least the first 90 days of general registration. “General Registration” in a TLD is deemed to occur on the first day following the Sunrise Period in which domain names are generally made available to all registrants that are qualified to register domain names within the TLD.

During the Trademark Claims period for a TLD, anyone attempting to register a domain name matching a mark that is recorded in the Trademark Clearinghouse will receive a notification displaying the relevant mark information. The Claims Notice is intended to provide clear notice to the prospective domain name registrant of the scope of the Trademark Holder’s rights. A sample Claims Notice is as follows:

TRADEMARK NOTICE

You have received this Trademark Notice because you have applied for a domain name which matches at least one trademark record submitted to the Trademark Clearinghouse.

You may or may not be entitled to register the domain name depending on your intended use and whether it is the same or significantly overlaps with the trademarks listed below. Your rights to register this domain name may or may not be protected as noncommercial use or “fair use” by the laws of your country.

Please read the trademark information below carefully, including the trademarks, jurisdictions, and goods and services for which the trademarks are registered. Please be aware that not all jurisdictions review trademark applications closely, so some of the trademark information below may exist in a national or regional registry which does not conduct a thorough or substantive review of trademark rights prior to registration. If you have questions, you may want to consult an attorney or legal expert on trademarks and intellectual property for guidance.

If you continue with this registration, you represent that, you have received and you understand this notice and to the best of your knowledge, your registration and use of the requested domain name will not infringe on the trademark rights listed below. The following marks are listed in the Trademark Clearinghouse:

1. Mark: Example One
Jurisdiction: UNITED STATES OF AMERICA

Goods and Services: Bardus populorum circumdabit se cum captiosus populum.

International Class of Goods and Services or Equivalent if applicable:

35 - Advertising; business management; business administration.

36 - Insurance; financial affairs; monetary affairs; real estate.

Trademark Registrant:

Organization: Example Inc.

Address: 123 Example Dr. Suite 100

City: Reston

State: VA

Postal Code: 20190

Country: US Trademark Registrant Contact:

Name: Joe Doe

Organization: Example Inc.

Address: 123 Example Dr. Suite 100

City: Reston

State: VA

Postal Code: 20190

Country: US

Phone: +1.7035555555X4321

Email: jdoe@example.com

This domain name label has previously been found to be used or registered abusively against the following trademarks according to the referenced decisions:

Decision Number: 234235

Court Name: Supreme Court of Justice of Costa Rica

Court Jurisdiction: CR

1. Mark: One Inc

Jurisdiction: ARGENTINA

Goods and Services:

Bardus populorum circumdabit se cum captiosus populum.

Smert populorum circumdabit se cum captiosus populum qui eis differimus.

International Class of Goods and Services or Equivalent if applicable:

35 - Advertising; business management; business administration.

36 - Insurance; financial affairs; monetary affairs; real estate.

Trademark Registrant:

Organization: One SA de CV
Address: La calle
City: La ciudad
State: CD
Postal Code: 34323
Country: AR
Phone: +54.5582269330
Email: contact@oneinc.com.ar

For more information concerning the records included in this notice, see <http://trademark-clearinghouse.com/content/claims-notice>.

If the notified party acknowledges the notice and proceeds to register the domain name, the Trademark Clearinghouse will send a notice to those trademark holders with matching records in the Clearinghouse, informing them that someone has registered the domain name.

The registrar must provide the Trademark Notice to the potential domain name registrant in English, as well as the language of the registrant's registration agreement. Currently, the Trademark Notice is being offered in the 6 UN languages: Arabic, Chinese, English, French, Russian, and Spanish.

Between October 2013 and May of 2015, the reported numbers indicate a high percentage of Claims Notices generated as compared to the numbers of Claims transactions (that is, transactions where a domain name subject to Claims services was registered).

Sum of TLDs with initiated Claims periods (June 2015)	434
Sum of Claims Transactions (May 2015)	118,665
Sum of Claims Notices Generated (May 2015)	52,785,584

The large percentage of Claims notices generated, resulted in several Trademark Claims related questions from the community seeking to know more about the reasons behind the high numbers that were reported. ICANN has looked into the high ratio of Claims notices generated compared to registrations and has discovered that a disproportionate amount of notices were automatically generated as a result of queries being made to registries by one registrar. This issue has since been corrected and it is expected that the ratio of Claims notices generated to names registered should decrease over time.

Feedback was received expressing interest in knowing how many Claims notices were generated for the same domain name. According to data provided by IBM, the highest number of notices generated for the same label is 1,281. From October 2013 to May 2015, the table below illustrates the sum of labels and sum of Claims notices generated per label. It is important to keep in mind that these numbers are based on the high volume of Claims notices generated, however, as more data becomes available, these numbers are expected to stabilize.

Claims Notices Generated per Label

(October 2013 – May 2015)

Claims Notices Generated per Label	Labels
1,000 < 1281	36,364
1,000 > 500	24,010
500 > 100	5,246
≥ 100	2,585

Table 5-1

Source: IBM Claims Notice Information Service (CNIS) Report

Below is a graph illustrating the 20 gTLDs with the highest number of registrations occurring during the Claims period, for the reporting periods between January 2014 and May 2015:

TLD	Claims Transactions
1. club	3,786
2. xyz	2,503
3. nyc	2,308
4. wang	1,999
5. email	1,930
6. Moscow	1,656
7. guru	1,625
8. science	1,462
9. party	1,452
10. link	1,421
11. Top	1,335
12. London	1,271
13. click	1,233
14. property	1,192
15. Berlin	1,053
16. flowers	1,047
17. company	1,042
18. help	1,040
19. photography	1,012
20. world	1,003

Table 5-2

Source: IBM Monthly Invoice

5.1 General Feedback

ICANN has received extensive feedback relating to the Claims period to date. Positive comments were received in regard to the Claims service continuing beyond the initial Claims period. Suggestions for improving this service included providing a history of notices to clients. In other words, it might be useful if the Clearinghouse were to create a query or search function in order to provide right holders access to this information if needed. Additionally, ICANN has heard concern expressed over the Claims notices being inappropriately worded or being intimidating to legitimate registrants with no intent to infringe.

Feedback was also received requesting that ICANN look into registrars that are acknowledging Claims notices without having displayed them to the registrants. In light of these comments, ICANN has reviewed compliance activity in relation to Claims and found that there isn't any compliance data to confirm that this is occurring. In fact, the majority of complaints relating to the Claims Service, Sunrise, and Reserved Names/Controlled Interruption are invalid ones (i.e., the complaints are not under the scope of the RAA, RA, or ICANN's consensus policies.)

Table 5-3 below illustrates the sum of Claims service complaints that were processed during the informal resolution phase (i.e., complaints that have not reached enforcement or a breach). To date there have not been any complaints for New gTLDs that have reached the formal resolution phase (i.e., complaints that have reached enforcement or a breach).

Informal Complaint Volume by Type	14- Jun	14- Jul	14- Aug	14- Sep	14- Oct	14- Nov	14- Dec	15- Jan	15- Feb	15- Mar	15- Apr	15- May	15- Jun	Total
Claims Services	2	1	1	1	3	-	1	-	-	-	1	-	-	10

Table 5-3

Sources: [ICANN Databases and dashboards](#)

Additional feedback was received on the existing registration process, such as the fact that there is no advance notice to the trademark holder of the potential registrant’s intention to register the domain name, the ability of potential registrants to ignore the Claims notice and proceed with registration of the matching domain name, and that notices are only being sent for domain names considered to be an “identical match” to the trademark. Some members of the community view these elements as shortcomings and express that modifying these areas could increase the effectiveness of the Trademark Claims service. While ICANN takes notes of these comments, reinventing the way the Claims process works would require additional stakeholder discussions and these may be taken into account in the continuing program reviews.

Comments also identified some possible technical issues relating to the operation of the Claims service, such as registrars not providing the Claims service during Limited Registration Periods. Furthermore, some registrar feedback expressed frustration with regard to repeatedly having to request Claims acceptance, suggesting that it would be helpful if notices could reflect when the claim was last updated in order to remove the 48- hour Claims acceptance window. Per the [Trademark Clearinghouse functional specifications](#), the timing window is a 48-hour acceptance period for reporting Claims

notices to the TMDB. If the Claims notice expires after the 48-hour acceptance window, registrars must once again request acknowledgement based on updated data.

Other suggestions express that it would be helpful for the Notice of Registered Name to indicate whether the domain resolved an active website at the time the notice was issued and to include information of whether registrants had registered multiple domains. Also, in situations where there are multiple TMCH entries for one string, it would be helpful for the notices to be consolidated and not reiterated with only the mark information differing.

While some feedback received suggests that having the Trademark notice in English and in the language of the registrant's registration agreement is sufficient, others report that it would be useful for Claims notices to be translated into the six UN languages, as some brand owners have witnessed such notices being disregarded by registrants who do not speak English and are unable to understand them.

In regard to the Notice of Registered Names, input recommends that it would be useful to include the information of the registrant data and a hyperlink to the domain, as well as a list of the options that are available to the trademark holder or a link to the ICANN website providing such information.

Additional input requests that ICANN look into how well registrants understand the Claims notice and why so many potential registrants are not registering domain names after reading the Trademark Notice. As suggested in the feedback received, ICANN should consider further studies on user behavior to determine whether these registrants are actually cyber squatters or potential legitimate customers being intimidated by the language of the notice or the inability to understand the notice.

5.2 Inclusion of Previously Abused Labels

The inclusion of up to 50 previously abused labels (sometimes referred to as “plus 50”) was also implemented to strengthen trademark protection available through the Clearinghouse. Community stakeholders helped develop the Trademark Clearinghouse “Strawman Solution” in November 2012, which included this element. The discussion leading to this proposal was convened to address feedback and comments from several stakeholders in relation to the RPMs in the New gTLD Program.

This component was an add-on to the Claims service, whereby up to 50 abused domain labels that have been found to be the subject of abusive registrations on the basis of a verified UDRP proceeding or court proceeding may be added to a Clearinghouse record. These names may be mapped to an existing record where the Clearinghouse has already verified the trademark. Attempts to register domain names matching these labels will generate the Claims notices as well as the notices to the rights holder if the registration proceeds.

Domain names based on previous findings of abuse are accepted only for association with an existing Clearinghouse record, and only on the basis of a determination made under the UDRP or national laws. Additionally, the provision of notifications concerning associated domain names is limited to the Claims service only: the addition of previously abused labels does not provide eligibility for Sunrise or other priority registrations, nor does it have a blocking effect on registration of these names by other parties. Rather, the names become the subject of notification under the Claims service.

Since the introduction of the Abused Domain Name Label service in [October](#)

[2013](#), 355 domain labels based on 189 cases have been added.

[Current costs](#) for this service range from USD 150-200 for verification of a court case, and USD50-75 for verification of a UDRP case, plus USD1 per label per year, and an additional USD25 when the Clearinghouse record is renewed.

Although comments find the idea of this add-on service to be useful for trademark holders in protecting against trademark abuse and infringement, comments point out that this service is not always well understood. It is generally described as underutilized and featuring validation price points that are seen as too high.

Of particular concern to many commenters was the fact that previously abused labels are only eligible for the Claims service and not for Sunrise service. In the previous community discussions that led to the development of the Abused Domain Name label service, an important principle was that the process should protect existing trademark rights and should not create additional ones, i.e., labels could be the subject of notices under the Trademark Claims process but would not be eligible for Sunrise protection in the same way as a label matching a verified trademark record.

Some of the feedback received expressed that the standards for verification of previously abused labels could be modified to be less strict, as well as lower in cost, resulting in an increased number of labels for inclusion. However, others oppose any easing of the TMCH verification requirements and fear that this service could lead to an unlimited inclusion of names and abuse by trademark holders.

ICANN has also received some feedback in regard to the documentation required to verify UDRP cases. To verify that the mark that was the subject of the case is the same as the mark in the Trademark Clearinghouse record is difficult in some cases if the

rights holder no longer has the UDRP or court filings or records, or where the trademark information was not included in the original complaints. ICANN welcomes the input received on this topic and will support additional community discussions as to the Claims service and whether changes should be considered.

5.3 Extensions of Trademark Claims Service

The Trademark Claims service must be offered by the registry operator for at least the first 90 days of general registration (the “Trademark Claims period”). The Registry Operator must not shorten the duration of the Claims period; however, the Registry Operator may extend the duration of the Claims period.

The possibility of extending the Claims period gives registries the opportunity to offer the Claims service for a definite or indefinite amount of time (for example, a registry could offer the Claims service for the first 120 days of registration, or it could offer the Claims service in its TLD indefinitely). In these cases, prospective registrants in the TLD continue to receive notifications of domain names matching marks in the Trademark Clearinghouse, and trademark holders continue to receive notices informing them when a matching domain name has been registered. To date, approximately 53% of registries have operated Claims periods for either the minimum 90 days or for up to a week of additional days, while a small percentage (47%) have offered longer Claims periods. Figure 5-1 below shows the number of registries who have offered the minimum Claims period and who have extended the Claims period beyond the minimum.

Extensions of Trademark Claims Period

As of May 2015

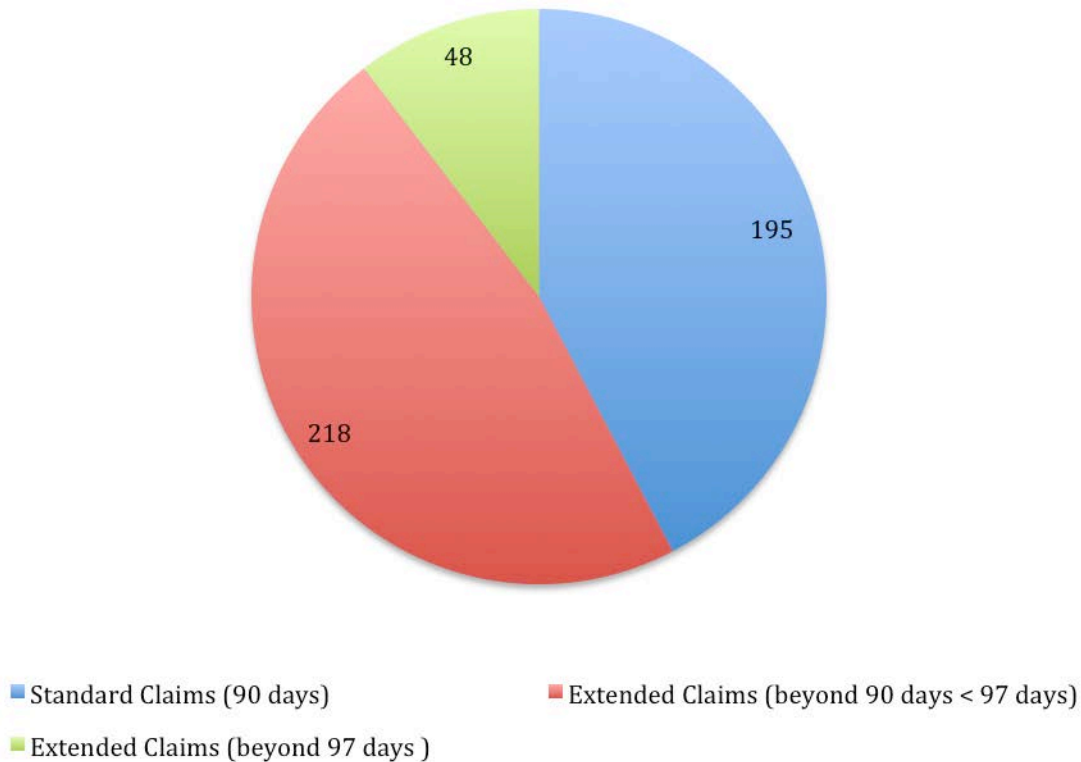


Figure 5-1

Source: TLD Startup Information submitted to ICANN

The Trademark Clearinghouse also offers an [Ongoing Notifications](#) service at no additional cost that informs the trademark holder whenever someone has activated a domain name in a new gTLD that matches a term that is recorded in the Trademark Clearinghouse. When opting in to this service, the trademark holder will receive a notice informing them of the matching domain name, so the trademark holder can determine whether it wishes to take action. This is a non-mandatory service provided following the 90-day Claims Period for each new gTLD whereby trademark holders are notified of

potential intellectual property infringement for an indefinite period of time beyond the required 90-day period. Deloitte provides this service to trademark holders and agents for the duration of their trademark record registration into the Trademark Clearinghouse regardless of whether the Registry Operator is offering an extended Claims period. As of August 2015, 65 % of Clearinghouse users have opted to activate this service.

Based on the feedback received, most of the comments received maintain that the Trademark Claims service should be extended for an indefinite period, as this service is extremely useful for trademark holders; however, others cite challenges associated with extending this service, such as additional costs and technical burdens on registry operators. Instead, these comments express a preference that the TMCH continue to provide ongoing Claims notifications to rights holders after the required 90-day Claims period, rather than requiring the full Claims service of all registries.

Section 5 Questions

- a. Is the Claims notice an effective form of communication?
- b. For those with registrant/customer interactions, what has been the customer response to Claims notices?
- c. Were any technical issues identified relating to the Claims service?
- d. Is there any other piece of information that should be included in the Claims notice?
- e. How helpful is it to have the Trademark Notice in English and in the language of the registrant's registration agreement? Should additional language considerations be applied?
- f. How could the Claims service be improved?

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- g. How useful are extended Claims services?
 - h. What were the challenges, if any, in terms of extended Claims services?
 - i. How effective is the inclusion of previously abused labels in protecting against trademark abuse and infringement?
 - j. Should the standards for verification of previously abused labels be modified?
 - k. How clear is the Notice of Registered Names to the trademark holder? Is there any other piece of information that should be included in the Notice of Registered Name?
 - l. Is the Notice of Registered Names received in a timely manner?
 - m. Did the Notice of Registered Names help trademark holders decide on next steps?

Section 5 Comments

Challenges and concerns were identified by the community during the public comment period, particularly relating to the topics discussed in this section, such as:

- Reports of notices not being received by trademark holders after matching domain names are registered.
- Reports of registrars failing to provide the required Claims services during the LRP.
- Reports from registrars of repeatedly having to request Claims acceptance due to timing constraints.
- Notices being sent for domain names considered to only be an “identical match” to the trademark.

Suggestions were made by the community on how to enhance these mechanisms. Given the complexity of these topics, further community discussions are required prior to implementing the suggestions listed below:

- Extending the Trademark Claims service indefinitely.
- Creating a searchable database of Claims notices.
- Greater advance notice to the trademark holder of the potential registrant’s intention to register the domain name.
- Modifying the language in the Claims notice to clarify/include:
 - The basic elements of trademark infringement.
 - Text that mentions how laws vary by jurisdiction.
 - Text that urges registrants to consult with counsel.
 - When the claim was last updated in order to remove the 48 - hour Claims acceptance window.
 - Whether the domain resolved an active website at the time the notice was issued.
- Translating Claims notices into the six UN languages.
- Consolidating notices in situations where there are multiple TMCH entries for one string, instead of reiterating notices with only the mark information differing.
- Information of whether registrants have registered multiple domains.
- Notice of Registered Names should include:
 - Information of the registrant data.
 - Hyperlink to the domain.
 - List of the options that are available to the trademark holder.
 - Link to the ICANN website providing such information.

6 Uniform Rapid Suspension

Prior to the introduction of the Uniform Rapid Suspension (URS) procedure, the Uniform Domain-Name Dispute-Resolution Policy (UDRP) was the primary process established by ICANN for the resolution of disputes regarding the registration of domain names that infringe trademark rights.

Launched in 1999, the UDRP provides trademark holders an avenue to initiate a proceeding by electronically filing a complaint with an approved [UDRP provider](#). The cost to a complainant for a UDRP proceeding is approximately USD 1000-5000. Decisions can take up to two months, and those in favor of the person or entity that filed the complaint, result in either cancellation of the domain name registration or transfer of the domain name to that person or entity. The UDRP is applicable to all names registered in gTLDs as imposed through the Registrar Accreditation Agreement (RAA).

The URS was designed as a complement to the UDRP, to provide trademark owners with a quick and low-cost process to take down websites infringing on their intellectual property rights as well as to combat cybersquatting. Much like the UDRP, trademark holders may initiate a URS proceeding by electronically filing a complaint with a URS provider. To date, two providers have been approved for the URS: National Arbitration Forum ([FORUM](#)) and the Asian Domain Name Dispute Resolution Centre ([ADNDRC](#)). The fees associated with a URS proceeding range from USD300 - 500.

When a trademark holder files a URS complaint, the registry operator immediately locks the domain against changes. The provider then notifies the registrant against whom the complaint has been filed, who has 14 days to submit a response.

Complaints listing fifteen or more disputed domain names registered by the same registrant are subject to a response fee, which is refundable to the prevailing party in the proceeding.

If there is no reply in 14 days, the complaint proceeds to default. All default cases proceed to examination for review on the merits of the claim. If the determination is in favor of the complainant, the domain name will point to a mandatory URS placeholder page for the remaining time in the registration period, unless the decision is reversed. An example of this page is below.

This Site is Suspended

The Domain Name you've entered is not available. It has been taken down as a result of dispute resolution proceedings pursuant to the Uniform Rapid Suspension System (URS) or .us Rapid Suspension System (usRS) Procedure and Rules.

For more information relating to the URS, please visit: <http://newgtlds.icann.org/en/applicants/urs>

For more information relating to the usURS, please visit: <http://www.neustar.us/policies>

A comparison of several elements of the URS with the UDRP is shown here:

Provision	URS	UDRP
Elements of	(1) The registered domain name	(1) The domain name(s) is/are

Provision	URS	UDRP
Claim	<p>is identical or confusingly similar to a word mark (a) for which the Complainant holds a valid national or regional registration and that is in current use, or (b) that has been validated through a court proceeding, or (c) that is specifically protected by a statute or treaty in effect at the time the URS complaint is filed;</p> <p>(2) The Registrant has no legitimate right or interest to the domain name; and</p> <p>(3) The domain was registered and is being used in bad faith. Art. 1.2.6.</p>	<p>identical or confusingly similar to a trademark or service mark in which the Complainant has rights;</p> <p>(2) The Respondent (domain-name holder) has no rights or legitimate interests in respect of the domain name(s) that is/are the subject of the complaint; and</p> <p>(3) The domain name(s) was/were registered and being used in bad faith. Art. 4(a).</p>
Evidence of Bad Faith	<p>(1) Registrant has registered or acquired the domain name primarily for the purpose of selling, renting or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name;</p>	<p>(1) Registrant has registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of the Registrant’s documented out-of-pocket costs directly related to the domain name;</p> <p>(2) Registrant has registered the</p>

Provision	URS	UDRP
	<p>(2) Registrant has registered the domain name in order to prevent the trademark holder or service mark from reflecting the mark in a corresponding domain name, provided that Registrant has engaged in a pattern of such conduct;</p> <p>(3) Registrant registered the domain name primarily for the purpose of disrupting the business of a competitor; or</p> <p>(4) By using the domain name Registrant has intentionally attempted to attract for commercial gain, Internet users to Registrant’s web site or other on-line location, by creating a likelihood of confusion with the complainant’s mark as to the source, sponsorship, affiliation, or endorsement of Registrant’s web site or location or of a product or service on that web site or location. Art. 1.2.6.3.</p> <p><u>Possible Additional Indicia of Bad Faith:</u></p> <p>(1) Trading in domain names for</p>	<p>domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the Registrant have engaged in a pattern of such conduct;</p> <p>(3) Registrant has registered the domain name primarily for the purpose of disrupting the business of a competitor; or</p> <p>(4) By using the domain name, Registrant has intentionally attempted to attract, for commercial gain, Internet users to Registrant’s web site or other on-line location, by creating a likelihood of confusion with the complainant’s mark as to the source, sponsorship, affiliation, or endorsement of the Registrant’s web site or location or of a product or service on your web site or location. Art. 4(b).</p>

Provision	URS	UDRP
	<p>profit, and holding a large portfolio of domain names, are of themselves not indicia of bad faith under the URS. Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute;</p> <p>(2) Sale of traffic (i.e. connecting domain names to parking pages and earning click- per-view revenue) does not in and of itself constitute bad faith under the URS. Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute. Art. 5.9.</p>	
Defenses to Claim	<p>(1) Before any notice to Registrant of the dispute, Registrant’s use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services;</p> <p>(2) Registrant (as an individual, business or other organization) has been commonly known by</p>	<p>(1) Before any notice to Registrant of the dispute, Registrant’s use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services;</p> <p>(2) Registrant (as an individual, business, or other organization) has been commonly known by the domain name, even if Registrant has acquired no trademark or</p>

Provision	URS	UDRP
	<p>the domain name, even if Registrant has acquired no trademark or service mark rights;</p> <p>(3) Registrant is making a legitimate or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue;</p> <p>(4) The domain name is generic or descriptive and the Registrant is making fair use of it;</p> <p>(5) The domain name sites are operated solely in tribute to or in criticism of a person or business that is found by the Examiner to be fair use;</p> <p>(6) Registrant’s holding of the domain name is consistent with an express term of a written agreement entered into by the disputing Parties and that is still in effect;</p> <p>(7) The domain name is not part of a wider pattern or series of abusive registrations because</p>	<p>service mark rights; or</p> <p>(3) Registrant is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue. Art. 4(c).</p>

Provision	URS	UDRP
	the Domain Name is of a significantly different type or character to other domain names registered by the Registrant. Arts. 5.7-5.8.	
Administrative Review	2 Business Days; Complaint Dismissed w/o Prejudice if Deficient. Arts. 3.2, 3.4.	3 Calendar Days; Complainant has 5 Calendar Days to Correct Filing if Deficient. Art. 4(a)-(b).
Registrant Response	14 Calendar Days from Date of Notice of Complaint to File Response. Art. 5.1.	20 Calendar Days from Commencement of Proceeding to File Response. Art. 5(a).
Response Extension	7 Calendar Days or Less Upon Request from Registrant. Art. 5.3.	No Express Limit for Extensions Upon Request from Registrant or Approved Stipulation of Parties. Art. 5(d).
Response Length Limit	2,500 Words or Less, Excluding Attachments. Art. 5.4.	No Express Length Limit. See Art. 5.
Examined By	1 Examiner, Selected By URS Provider. Art. 7.1.	1 Panelist, Selected by the UDRP Provider; or 3-Member Panel, at the Option of the Complainant or Respondent. If a 3-Member Panel is Requested, Each Party Submits a List of 3 Candidates to Serve as 1 Member of the Panel (1 Members Chosen by Complainant, 1 by Respondent, 1 by Provider); if 3-Member Panel Requested by Respondent, Respondent Shares Fees. Art. 4(e); UDRP Rules 3(b)(iv), 5(b)(iv)-(v), 5(c), 6.

Provision	URS	UDRP
Standard of Proof	Clear and convincing evidence that no genuine issue of material fact exists as to any of the elements of the claim. Arts. 8.2-8.3.	The complainant must prove that each of the three elements of the claim is present. Art. 4(a). A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable. UDRP Rule 15(a).
Decisional Timeframe	Within 3 Business Days and No Later Than 5 Business Days from the Start Date of the Examination, Absent Extraordinary Circumstances. Art. 9.6.	Within 14 Days of the Panel's Appointment, Absent Exceptional Circumstances. UDRP Rule 15(b).
Remedies	Suspension of the Domain Name for the Balance of the Registration Period, With the Complainant's Option to Extend the Period for 1 Additional Year. Arts. 10.2-10.3.	(1) Cancellation of the Domain Name; or (2) Transfer of the Domain Name Registration to the Complainant. Art. 4(i)
Appeals and Other Proceedings	Right of Either Party to <i>De Novo</i> Appeal, if Requested Within 14 Days of Default or Final Determination, by URS Appeal Panel Selected by URS Provider and Subject to Provider Appeals Rules; Either Party May Seek UDRP or Court Proceeding. Arts. 12.1, 12.4, 13.	Registrant or Complainant May Submit the Dispute to a Court of Competent Jurisdiction for Independent Resolution Before or After UDRP Proceeding is Concluded. Art. 4(k).

Provision	URS	UDRP
Status of Domain During Proceedings	Domain Immediately Locked Upon Complaint's Administrative Review Compliance; If Registrant Succeeds, Domain is Unlocked and Control Returned – Locked or Unlocked Status Resulting from Final Determination Persists During Appeal. Arts. 4.1, 10.5, 12.3.	Status Quo Maintained Until Cancellation or Transfer Order is Received from Registrant or Its Authorized Agent, Court or Arbitral Tribunal, or UDRP Panel. Arts. 3, 7.
Fees	Set By Provider. Art. 2.1. Fees start at about \$350-\$500, and can rise to about \$1,300 depending on the provider chosen, the number of domain names involved, and whether there are re-examinations and/or appeals. Current approved URS providers are National Arbitration Forum and Asian Domain Name Dispute Resolution Centre.	<p>Set By Provider; Provider Schedules of Fees Contained in Provider Supplemental Rules. Art. 4(g).</p> <p>National Arbitration Forum: Base Fee of \$1,300 to \$4,500 for Proceedings Involving Up To 15 Domains. NAF Supplemental UDRP Rule 17.</p> <p>WIPO: Base Fee of \$1,500 to \$5,000 for Proceedings Involving Up To 10 Domains. WIPO Schedule of Fees under the UDRP.</p> <p>Arbitration Center for Internet Disputes (Czech Arbitration Court): Base Fee of \$500 to \$7,100 for Proceedings Involving Up To 50 Domains. UDRP Supplemental Rules of the Czech Arbitration Court, Annex A: Fee Schedule.</p>

Provision	URS	UDRP
		Asian Domain Name Dispute Resolution Centre: Base Fee of \$1,300 to \$3,800 for Proceedings Involving up to 10 Domain Names. Fees Set by Individual Offices for Disputes Involving 10 Domain Names or More. ADNDRC Supplemental Rules: Schedule of Fees.

Table 6-1

Source: James L. Bikoff, Smith, Gambrell & Russell

To date, approximately 300 URS complaints have been filed. Table 6-2 below includes monthly data from the current URS providers on the cases concluded, including the number of names suspended and the number of complaints denied (Note that a case may involve more than one domain name).

As of Month End		Total	ADNDRC	FORUM
201404	Cases Concluded	16	2	14
	Default Determinations	10	2	8
	Names Suspended	15	2	13
	Complaint Denied	1	0	1
201405	Cases Concluded	17	1	16
	Default Determinations	10	0	10
	Names Suspended	16	1	15
	Complaint Denied	1	0	1

201406	Cases Concluded	15	1	15
	Default Determinations	5	1	4
	Names Suspended	14	1	13
	Complaint Denied	2	0	2
201407	Cases Concluded	13	0	13
	Default Determinations	8	0	8
	Names Suspended	12	0	12
	Complaint Denied	1	0	1
201408	Cases Concluded	25	5	20
	Default Determinations	10	3	7
	Names Suspended	20	5	15 ¹
	Complaint Denied	4	0	4
201409	Cases Concluded	21	1	20
	Default Determinations	16	2	14
	Names Suspended	21	2	19
	Complaint Denied	1	0	1
201410	Cases Concluded	21	1	20
	Default Determinations	17	3	14
	Names Suspended	22	4	18
	Complaint Denied	2	0	2
201411	Cases Concluded	14	0	14
	Default Determinations	14	3	11
	Names Suspended	17	3	14
	Complaint Denied	0	0	0
201412	Cases Concluded	39	0	39
	Default Determinations	22	0	22
	Names Suspended	37	0	37
	Complaint Denied	2	0	2
201501	Cases Concluded	17	1	16
	Default Determinations	11	0	11
	Names Suspended	16	0	16
	Complaint Denied	1	1	0

201502	Cases Concluded	12	0	12
	Default Determinations	10	1	9
	Names Suspended	12	1	11
	Complaint Denied	1	0	1
201503	Cases Concluded	21	0	21
	Default Determinations	22	3	19
	Names Suspended	24	3	21
	Complaint Denied	0	0	0
201504	Cases Concluded	13	0	13
	Default Determinations	10	0	10
	Names Suspended	11	0	11
	Complaint Denied	2	0	2
201505	Cases Concluded	19	0	19
	Default Determinations	14	2	12
	Names Suspended	20	2	18
	Complaint Denied	1	0	1
201506	Cases Concluded	16	0	16
	Default Determinations	11	1	10
	Names Suspended	17	1	16
	Complaint Denied	0	0	0
Grand Total	Cases Concluded			279
	Default Determinations			190
	Names Suspended			274
	Complaint Denied			19

Table 6-2

Source: Provider reports

Out of the cases to date, the majority of URS proceedings (approximately 94%) filed within this period have been successful in obtaining suspension of the domain name registration, as shown in Figure 6-1 below.

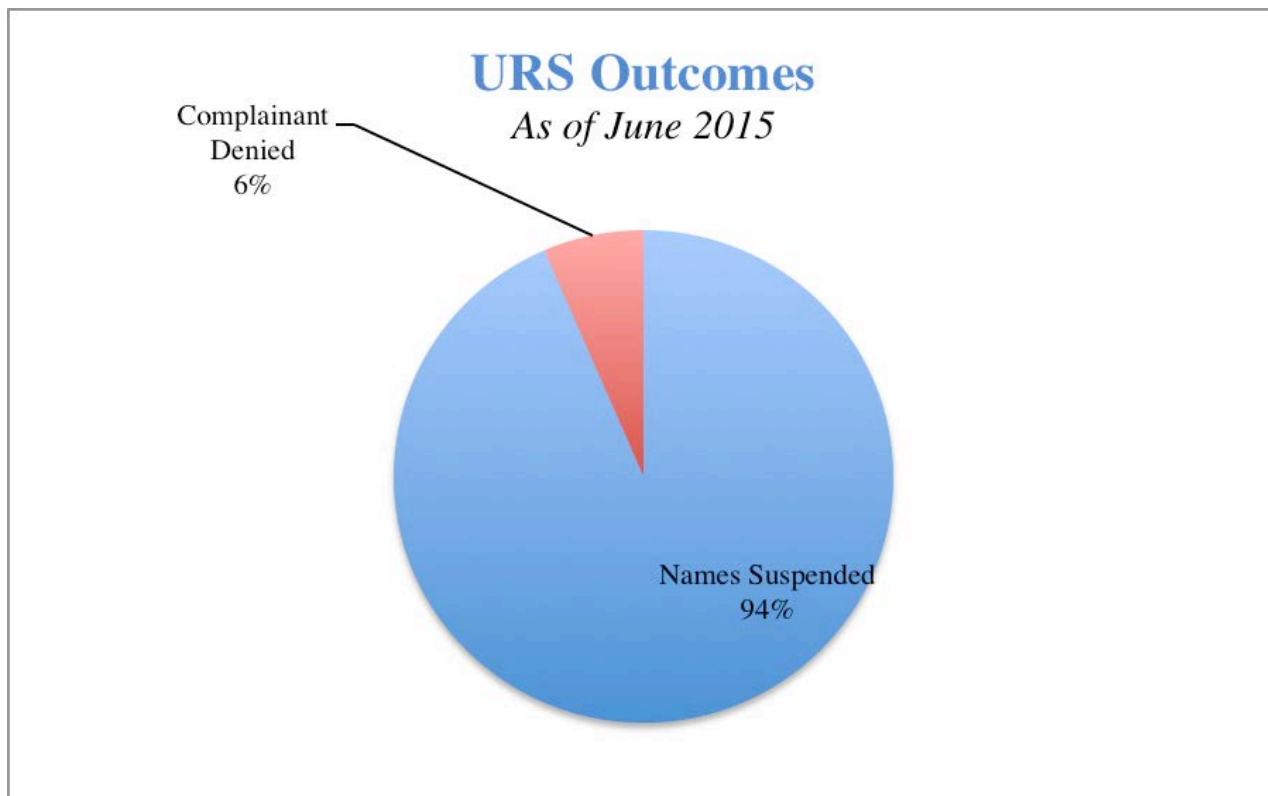


Figure 6-1

Source: Reports from ADNDRC, FORUM

As described above, if a registrant does not file a response to a URS complaint within 14 days, the complaint will be in default. A default determination still is evaluated by the panel on the merits. While approximately half of determinations from April 2014 to August 2014, as shown in the draft version of this report, were default determinations, updated data shows an increasing level of default determinations.

As shown in Figure 6-2 below, the majority of determinations to date have been default determinations, i.e., the determination was made without a response from the registrant.

Default URS Determinations

As of June 2015

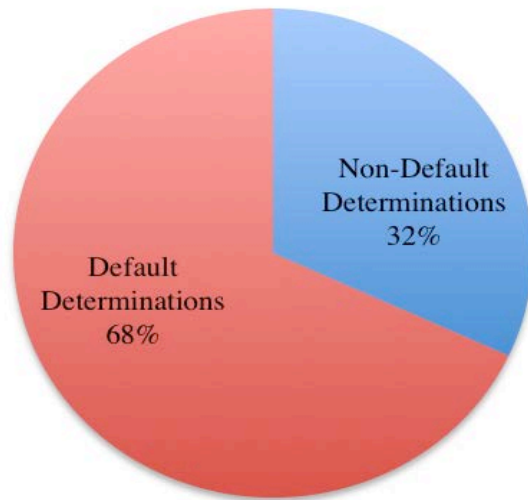


Figure 6-2

Source: Reports from ADNDRC, FORUM

As shown in Figure 6-3 below, most URS complaints are filed within the first few months after the domain name in question is registered; however, the URS can continue to be used at any point in the life of a registration.

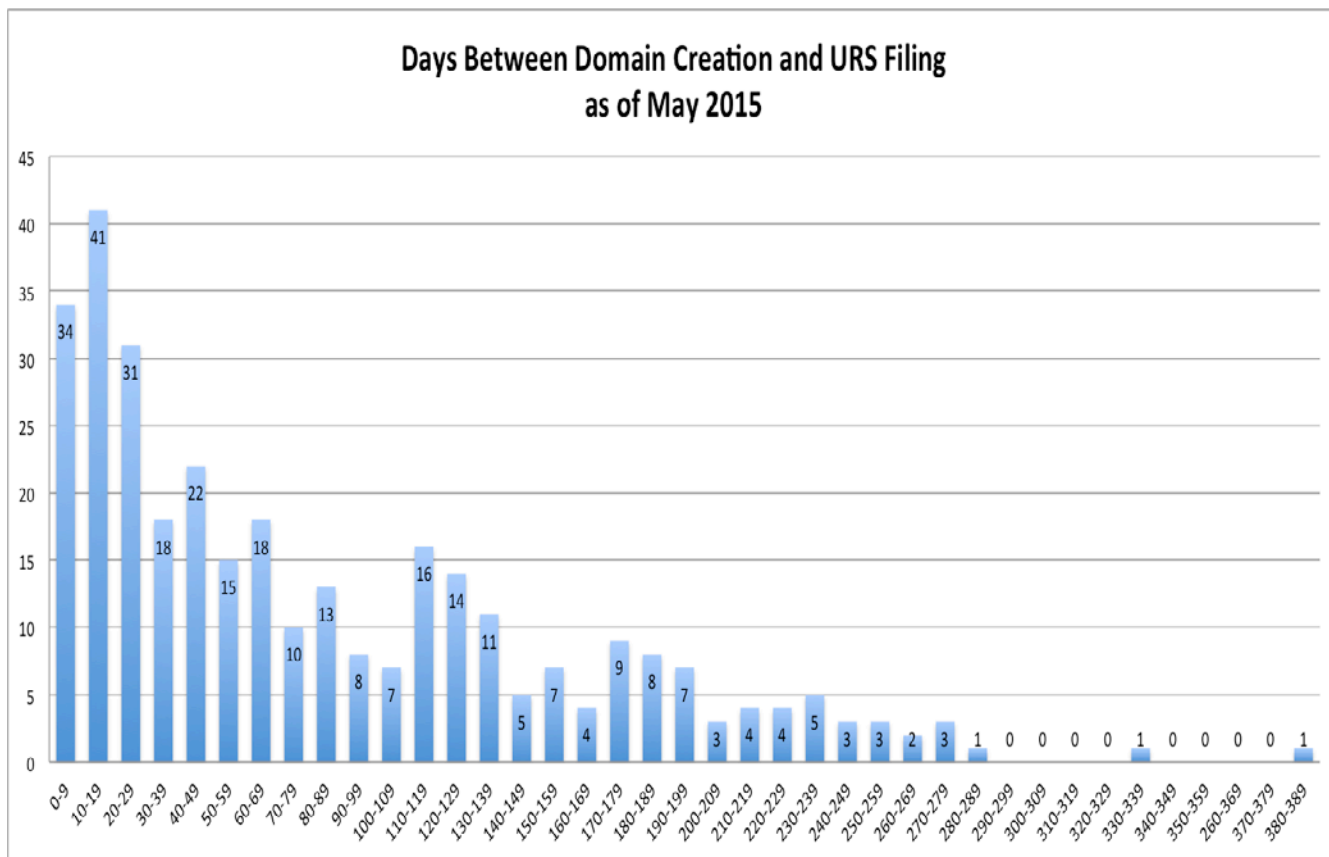


Figure 6-3
 Source: Whois records; Published case data

6.1 General Feedback

Overall, the feedback received from the community is that the URS has produced positive results in certain limited cases. It is quick, inexpensive and caters to those who have slam-dunk cases or are indifferent towards the suspension of the name solution, perhaps due to the fact they are unable to register that name. However, some rights holders have not opted to use this service due to the "clear and convincing" standard being seen as too strict and the URS remedy being limited to suspension only, thus not

justifying the costs.

There is also concern over the possibility of the domain name being registered once more by another potential infringer once it is released, thus some rights holders feel more comfortable having the domain name in their portfolio, which can be achieved via a UDRP. Indeed, initial feedback has indicated that suspension of the domain name is not a long-term solution.

The feedback received also addresses some of the challenges in terms of using the URS such as burdensome implementation steps for the registry and reports of URS requirements not being met by providers. In addition, the ability for defaulting respondents in URS cases to reply for up to one year after the notice of default, even after a determination is issued, and to then receive a new review of the complaint is described as troublesome and an unnecessary extension of the process. ICANN looked into this matter and was informed by the ADNDRC that thus far, no such cases have been received. The FORUM noted that no one has waited longer than 30 days to ask for a review of the complaint.

A number of suggestions were received recommending the adoption of a loser-pays model where the losing party is expected to bear the cost of the URS proceedings, although there may be practical challenges associated with this model, such as difficulty collecting payment from a nonresponsive party. Other comments strongly recommend incorporating a perpetual block or transfer as a possible remedy after expiration, or extending the length of suspension. In addition, comments suggest that the winning complainant should be given the right of first refusal to purchase the domain name when the suspension period expires, as well as an option to purchase the purchase the

domain directly from the registrar within a certain time period following the decision.

The feedback received also recommends that ICANN consider adding the definition of repeat URS offender and that it may be helpful to provide the Registry Operator, and not just the registrar, with the translated notice in the relevant local language. Furthermore, comments noted that ICANN should clarify the domain name renewal process for names that have been subject to a URS proceeding, and consider the use of Clearinghouse SMD files in URS proceedings to leverage data already present in the Clearinghouse. Other suggestions include sending the administrative contact with the notification that is sent to the registrant and registrar, eliminating the current 15-domain name minimum response fee to the complainant, and instead applying the same response-fee requirement to all URS complaints.

Suggestions were also received emphasizing that education and rights of both sides, the claimant and the respondent, should be considered by ICANN in future reviews of the URS. Particularly, ICANN should invest its resources in educating registrants globally via FAQs, informational webpages, and webinars on the existence of the URS, the URS rules, the key differences between the UDRP and URS, and the different standards of proof. While general FAQs can be found on the URS provider's webpage, ICANN acknowledges that greater attention must be paid to registrants and will work on improving its resources to better educate registrants on these processes.

Furthermore, feedback was received requesting that ICANN incorporate contractual compliance complaints related to RPMs into its review. In light of this, ICANN has reviewed compliance activity in regard to the URS and has found that most complaints out of 34 to date consist of failure to lock the domain by the registry

operator upon filing of a URS complaint and URS providers not receiving a response from the registry operator.

Informal Complaint Volume by Type	14- Jun	14- Jul	14- Aug	14- Sep	14- Oct	14- Nov	14- Dec	15- Jan	15- Feb	15- Mar	15- Apr	15- May	15- Jun	Total
URS	1	2	5	1	-	1	2	-	7	4	3	6	2	34

Table 6-4

Sources: ICANN Databases and [dashboards](#)

Feedback was received requesting ICANN to expand its inquiry on whether the Appellate Mechanism of the URS is being used, whether panelists are being rotated as required by the URS rules, and the percentage of URS cases that are coming from IDNs. ICANN raised these suggestions with our two URS providers and was informed by the ADNDRC that the Appellate Mechanism of the URS has not been used, while the FORUM reported that eight appeal cases have been filed thus far resulting in the suspension of seven out of nine appealed domain names. Table 6-5 below illustrates the total appeal statistics reported in the FORUM’s case summary report.

As of June 2015	Total
Number of Appeal Determinations (case has an Appeal Determination created within the selected range)	8
Number of domains in Appeal Determinations	9
Number of domains suspended in Appeal Determinations	7

Number of Appeals filed by Complainants	2
Number of Appeals filed by Respondents	6
Number of Appeal Determinations with both a previous Default AND Final Determination	0

Table 6-5

Sources: FORUM URS Case Summary Report

In regard to whether panelists are being rotated as required by the URS rules, the ADNDRC reported there were 24 concluded cases decided by 19 Panelists, while the FORUM reported that since the introduction of the URS in 2013 until 1 July 2015, 47 unique Examiners were used to review cases. Furthermore, from March 2015 through June 2015, 71 decisions were made by 20 different Examiners, with eight Examiners used for 16 cases in the month of June alone.

Furthermore, the FORUM explained that panelists are automatically selected by their internal system, and that they receive four cases in close succession to maximize the benefit from the extremely low fees then the next panelist is automatically selected, based first on language needed, then on time since the last case. Lastly, the ADNDRC reported that thus far, 15% of cases are coming from IDNs, while the FORUM reported that only 5% of cases have included IDNs at the top level mostly involving IDN.IDN. The most frequently filed against IDN TLD is 网址.

Section 6 Questions

- a. How effective is this service in providing a quick and low-cost process for addressing infringement?

-
- b. What were the challenges, if any, in terms of using the URS?
 - c. Are translation and language elements of the notification processes effective?
 - d. How could communication processes be improved among URS providers, registry operators, registrars, and registrants?
 - e. What factors could be addressed to make the URS more effective?

Section 6 Comments

Challenges and concerns were identified by the community during the public comment period, particularly relating to the topics discussed in this section, such as:

- Ability for defaulting respondents in URS cases to reply for up to one year after the notice of default, even after a determination is issued, and to then receive a new review of the complaint.
- Costs are not generally seen as in line with the remedy.
- "Clear and convincing" standard of URS is too strict.

Suggestions were made by the community on how to enhance this mechanism. Given the complexity of this topic, further community discussions are required prior to implementing the suggestions listed below:

- Preferred remedies:
 - Transfer option
 - Perpetual block
 - Extending length of suspension
 - Complainant should be given the right of first refusal to purchase name directly from registrar when suspension period expires.
- Loser-pays model
- Eliminating the current 15-domain minimum response fee to the complainant
- Applying the same response-fee requirement to all URS complaints
- Adding a definition of "repeat offenders."
- Providing the registry operator, and not just the registrar, with translated notice in the relevant local language.
- Clarifying of domain name renewal process by ICANN.
- Use of SMD files in URS proceedings to leverage data.
- Sending administrative contact the same notification that is sent to the registrant and registrar.
- Changing the standard from "clear and convincing" to "preponderance of the evidence."

7 Post-Delegation Dispute Resolution Procedures

Post-Delegation Dispute Resolution Procedures have been developed to provide parties potentially harmed by a new gTLD Registry Operator's conduct an avenue to pursue a complaint about that conduct. These dispute resolution procedures are administered by qualified providers external to ICANN and may require that complainants take specific steps to address their issues before filing a formal complaint. An Expert Panel will determine whether a Registry Operator is at fault and if so, recommend remedies to ICANN.

Currently, there are three Post-Delegation Dispute Resolution Procedures, as described below. The Trademark PDDRP is intended to address trademark-related issues in the registry. The RRDRP and PIC-DRP were not specifically designed as RPMs; however, they could serve this function in certain circumstances.

1. Trademark Post-Delegation Dispute Resolution Procedure (Trademark PDDRP)

The [Trademark PDDRP](#) generally addresses a Registry Operator's complicity in trademark infringement on the first or second level of a new gTLD. At least 30 days prior to filing a formal complaint, a rights holder must notify the Registry of the alleged infringing conduct and express a willingness to meet to resolve the issue.

2. Registration Restriction Dispute Resolution Procedure (RRDRP)

The [RRDRP](#) is intended to address circumstances in which a community-based New gTLD Registry Operator deviates from the registration restrictions outlined

in its Registry Agreement. An RRDRP complaint may only be filed by an established institution. Prior to filing a formal RRDRP proceeding, a complainant may [submit a report](#) to ICANN, who will conduct a preliminary review of the complaint to ensure it is complete, states a claim of non-compliance with at least one Registration Restriction, and that the reporter is in good standing.

3. **Public Interest Commitments Dispute Resolution Procedure (PICDRP)**

The [PICDRP](#) addresses complaints that a registry may not be complying with the Public Interest Commitment(s) in Specification 11 of its Registry Agreement. Prior to filing a formal PICDRP proceeding, the procedure envisions that a complainant will first utilize an [online complaint system](#). This allows for the submittal of an initial report claiming that a Registry may not be complying with one or more of its PICs per Specification 11 of its Registry Agreement with ICANN. ICANN will conduct a preliminary review of the initial report to ensure that it is complete, it states a claim of non-compliance with at least one PIC, and that the Reporter is in good standing.

As per the Registry Agreement, a registry operator must participate in these procedures and is bound by the resulting determinations. Provider information for these procedures is available at <http://newgtlds.icann.org/en/program-status/pddrp>.

To date, there have been no complaint filings under these procedures, making analysis premature at this time; however, more discussions are expected on the PDDRP at a later point as this procedure is an important part of the RPM ecosystem.

Since there have no complaint filings under the Post-Delegation Dispute Resolution Procedures, most comments expressed an inability to provide meaningful

feedback; however, commenters encourage ICANN to review it when data becomes available. Furthermore, one comment speculates that these procedures are unlikely to be used, as there may be significant issues in the burden of proof, cost of these proceedings, and with the remedies offered. ICANN agrees that these procedures are an important part of the RPM ecosystem and will continue to include them in the ongoing review discussions on the New gTLD Program. If these procedures continue to be unused by the community, further examination may take place to determine the reasons behind cases where a party could have submitted a complaint under these procedures but elected not to.

8 Additional Rights Protection Mechanisms

Aside from the ICANN mandated RPMs, the feedback received expresses interest in blocking mechanisms such as those offered by Minds & Machines (MPML), Rightside, and the Domains Protected Marks Lists (DPMLs) operated by Donuts. In general, these blocking mechanisms are considered to be useful and cost-effective for protecting trademarks across multiple TLDs.

Based on the feedback received, certain trademark holders have recorded their marks in the Clearinghouse for the sole purpose of using DPML blocking mechanisms offered by individual registry operators, in preference to Sunrise registrations. Furthermore, the input received recommends that ICANN consider adopting a domain name blocking mechanism as a mandatory RPM across all new gTLD registries as well as an additional RPM that should be examined in the RPM review.

However, there are a few concerns related to these blocking mechanisms. As described according to the feedback received, not every TLD is obligated to provide a blocking option, and there is no single option across all of the TLDs who offer a blocking type of protection. In addition, comments state that a blocking procedure may not cover trademarks designated by the registry as “premium names.” Trademark holders also report difficulties in keeping track of registry transfers and express concern over registries being able to withdraw or modify a purchased block at any time.

ICANN welcomes the feedback received on blocking mechanisms and agrees that the experiences gained from registry-specific RPMs should be a topic to be examined in reviewing the rights protection mechanisms in the New gTLD Program, and expects that these will be taken into account in the continuing review discussions.

9 Conclusion

This paper has described the data and input collected in many of the important areas relating to RPMs, including the Trademark Clearinghouse, Uniform Rapid Suspension system, and Post-Delegation Dispute Resolution Procedure.

The paper was posted for public comment to help identify the relevant sets of issues for consideration in reviewing the RPMs in the New gTLD Program. The paper was updated and revised based on the feedback received during the public comment period. ICANN appreciates the community’s input in this process relating to the key RPM topics described here, and any other relevant areas that should be considered as part of this review.

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Appendix A: List of Discussion Questions

SECTION 3: Trademark Clearinghouse

- a. What were the challenges, if any, in terms of satisfying the requirements for trademark inclusion into the Clearinghouse?
- b. Were there any challenges related to marks from specific jurisdictions in relation to the Clearinghouse guidelines?
- c. Was the verification process successful in restricting non-eligible trademarks?
- d. What factors could be considered to make the trademark verification process more effective?
- e. What factors could be considered to make the process of updating Clearinghouse records more effective?
- f. Did the Clearinghouse structure successfully balance implementation of the service with data misuse concerns?
- g. Do the Clearinghouse benefits outweigh the concerns about distribution of data?
- h. Were any issues identified relating to misuse of Clearinghouse data?
- i. Was the proof of use requirement helpful in meeting the goals of a creating a standard that accommodates practices from multiple jurisdictions?
- j. What were the challenges, if any, in terms of satisfying the proof of use requirement?

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- k. Was the proof of use requirement successful in restricting the Sunrise period to Sunrise-eligible rights holders?
 - l. What factors could be considered to make this process more effective?
 - m. Should the verification standards in the Clearinghouse Guidelines be adjusted in one or more areas?
 - n. Could verification standards used by the Clearinghouse be adjusted to better serve rights holders in all global regions?
 - o. To the extent that gaming is occurring, could this be prevented by modification to the verification standards?

SECTION 4: Sunrise Period

- a. How effective is the Sunrise period for protecting intellectual property rights?
- b. Are the Start-Date Sunrise and End-Date Sunrise alternatives useful?
- c. What were the challenges, if any, in terms of registering a domain name during the Sunrise period?
- d. What factors can be addressed to make Sunrise processes more effective?
- e. Did having a set of Sunrise minimum requirements across TLDs provide for increased efficiencies in registration processes? Were there advantages and disadvantages to the required Sunrise for rights holders? For Registry Operators?

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- f. Did the use of SMD files help streamline the process? Were there any technical issues encountered, if so, what were they?
 - g. Is there an appropriate balance of registry discretion to reserve names from registration and the inclusion of names in the required RPMs? Should additional considerations be applied around registry allocation practices and their interaction with the required RPMs?
 - h. Were Limited Registration Periods a useful part of registry launch processes?
 - i. What were the challenges, if any, in terms of registering domain names during Limited Registration Periods?
 - j. Did registries find that registrants took advantage of Limited Registration periods?
 - k. Was the QLP useful for registries in launching and promoting their TLDs? What were the challenges, if any, in terms of operating a QLP? What factors, if any, would make it more effective?
 - l. Did the QLP succeed in maintaining safeguards against intellectual property infringement? Were any intellectual property infringement issues noted with regard to names issued as part of a QLP?
 - m. Are there similar programs that could be built into TLD Startup processes that would support registry startup while maintaining safeguards against intellectual property infringement?
 - n. How useful was the SDRP in resolving disputes?
 - o. What were the most common types of disputes?

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- p. What were the challenges, if any, in using the SDRP?
 - q. What factors could be addressed to make Sunrise processes more effective?

SECTION 5: Trademark Claims

- a. Is the Claims notice an effective form of communication?
- b. For those with registrant/customer interactions, what has been the customer response to Claims notices?
- c. Were any technical issues identified relating to the Claims service?
- d. Is there any other piece of information that should be included in the Claims notice?
- e. How helpful is it to have the Trademark Notice in English and in the language of the registrant's registration agreement? Should additional language considerations be applied?
- f. How could the Claims service be improved?
- g. How useful are extended Claims services?
- h. What were the challenges, if any, in terms of extended Claims services?
- i. How effective is the inclusion of previously abused labels in protecting against trademark abuse and infringement?
- j. Should the standards for verification of previously abused labels be modified?

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- k. How clear is the Notice of Registered Names to the trademark holder? Is there any other piece of information that should be included in the Notice of Registered Name?
 - l. Is the Notice of Registered Names received in a timely manner?
 - m. Did the Notice of Registered Names help trademark holders decide on next steps?

SECTION 6: URS

- a. How effective is this service in providing a quick and low-cost process for addressing infringement?
- b. What were the challenges, if any, in terms of using the URS?
- c. Are translation and language elements of the notification processes effective?
- d. How could communication processes be improved among URS providers, registry operators, registrars, and registrants?
- e. What factors could be addressed to make the URS more effective?

Appendix B: Synopses of Comments Received

SECTION 3: Trademark Clearinghouse

Administrative challenges were identified around the trademark verification process and proof of use requirements, particularly relating to:

- Satisfying the “registration date” requirement.
- Unhelpful explanation provided on what is required to correct a rejection of a mark.
- Providing actual registration certificates in cases where the jurisdiction lacks an online trademark database that can be used for verification.
- Using the TMCH document upload system.
- Obtaining translation of certificates, particularly class descriptions.
- When entering any non-Latin text into the form provided by the TMCH.
- Rejection of samples of use submitted that include extra text, as it must contain the exact name of the registered trademark as recorded in the trademark record.
- Submitting a sample of use for trademarks that are not yet commercialized but already registered.

Possible considerations for improvement on how to make these processes more effective were proposed by the community. Due the complexity of the topics discussed in this section, implementing additional modifications would require altering the substance of these processes and may need to be explored further in future community discussions. The community suggestions are listed below:

- Addition of an electronic signature option for declaration of use.
- Synchronizing U.S. registered marks submissions with USPTO records database.
- Implementing a grace period for trademark owners to correct problems with their registrations.
- Greater outreach, especially in regions shown to have underutilized the TMCH.
- Modification of TMCH Guidelines to exclude the registration of “design marks.”
- Exemptions for countries like Canada and the U.S. from being required to submit proof of use when such evidence is already approved by the relevant jurisdiction.

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- Expansion of the matching rules to include plurals, “marks contained” or mark+keyword, and common typos of a mark.
 - Potential additional services such as query functions.

SECTION 4: Sunrise Period

Challenges and concerns were identified by the community during the public comment period, particularly relating to the topics discussed in this section, such as:

- Finding information regarding the requirements and start dates of the Sunrise period.
- Establishing which registrars are participating in the Sunrise for a particular registry.
- Inconsistent SMD file acceptance by registrars.
- Locating which trademark terms are reserved.
- Reservation and release of domain names (e.g., Registry discretion to reserve domain names by withholding well-known trademarks from Sunrise, registry discretion to release domain names to third parties).
- Higher registration prices of “premium” names than regular Sunrise registrations.
- Lack of awareness regarding the LRP option.

Suggestions were made by the community on how to enhance these mechanisms. Given the complexity of these topics, further community discussions are required prior to implementing the suggestions listed below:

- Providing trademark holders of the corresponding TMCH-verified trademark with right of first refusal once a reserved name is released.
- Establishing a definition for “premium names.”
- Building in a mechanism to challenge the designation of a “premium status.”
- A more regular and scheduled Sunrise Period (e.g., a single uniform 60-day End-Date Sunrise system).
- Using authorization codes to convey proof of use.

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- Making Sunrise registrations available not only for domain names that are considered to be an “identical match” to the trademarks, but also for trademarks that contain extra generic text.
 - Announcing LRPs more widely with all the details and applicable criteria.
 - Expanding the QLP to allow for registrations that match strings in the TMCH in cases where the use of the domain would not infringe on the relevant trademark.
 - Increasing the 100 domains per TLD limit for geographic TLDs.

SECTION 5: Trademark Claims

Challenges and concerns were identified by the community during the public comment period, particularly relating to the topics discussed in this section, such as:

- Finding information regarding the requirements and start dates of the Sunrise period.
- Establishing which registrars are participating in the Sunrise for a particular registry.
- Inconsistent SMD file acceptance by registrars.
- Locating which trademark terms are reserved.
- Reservation and release of domain names.
- Higher registration prices of “premium” names than regular Sunrise registrations.
- Lack of awareness regarding the LRP option.

Suggestions were made by the community on how to enhance these mechanisms. Given the complexity of these topics, further community discussions are required prior to implementing the suggestions listed below:

- Providing trademark holders of the corresponding TMCH-verified trademark with right of first refusal once a reserved name is released.
- Establishing a definition for “premium names.”
- Building in a mechanism to challenge the designation of a “premium status.”

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- A more regular and scheduled Sunrise Period (e.g., a single uniform 60-day End-Date Sunrise system).
 - Using authorization codes to convey proof of use.
 - Making Sunrise registrations available not only for domain names that are considered to be an “identical match” to the trademarks, but also for trademarks that contain extra generic text.
 - Announcing LRPs more widely with all the details and applicable criteria.
 - Expanding the QLP to allow for registrations that match strings in the TMCH in cases where the use of the domain would not infringe on the relevant trademark.
 - Increasing the 100 domains per TLD limit for geographic TLDs.

SECTION 6: URS

Challenges and concerns were identified by the community during the public comment period, particularly relating to the topics discussed in this section, such as:

- Ability for defaulting respondents in URS cases to reply for up to one year after the notice of default, even after a determination is issued, and to then receive a new review of the complaint.
- Costs do not justify the remedy.
- “Clear and convincing” standard of URS is too strict.

Suggestions were made by the community on how to enhance this mechanism. Given the complexity of this topic, further community discussions are required prior to implementing the suggestions listed below:

- Preferred remedies:
 - Transfer option
 - Perpetual block
 - Extending length of suspension
 - Complainant should be given the right of first refusal to purchase name directly from registrar when suspension period expires.

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- Loser-pays model
 - Eliminating the current 15-domain minimum response fee to the complainant.
 - Applying the same response-fee requirement to all URS complaints
 - Adding the definition of “repeat offenders.”
 - Providing the registry operator, and not just the registrar, with translated notice in the relevant local language.
 - Clarifying of renewal process by ICANN.
 - Using of SMD files in URS proceedings to leverage data.
 - Sending administrative contact the same notification that is sent to the registrant and registrar.
 - Changing the standard from “clear and convincing” to “preponderance of the evidence.”



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