RySG Statement Regarding the
"Special Trademark Issues Review Team Recommendations"
25 January 2010

The comments below are submitted on behalf of the gTLD Registries Stakeholder Group (RySG) regarding the “Special Trademark Issues Review Team Recommendations” of 11 December 2009. The comments that follow represent a consensus position of the RySG as further detailed at the end of the document.

General Comments on both Clearinghouse and URS:

Position:
The registries are willing to cooperate with other Internet stakeholders in reasonable implementation of rights protection mechanisms for new gTLDs. At the same time, it must be recognized that these mechanisms are primarily for the benefit of the rights owners, and the rights owners should bear the costs of their implementation. There must be a detailed examination of the potential impact on costs and liabilities to registries. Registries should not bear new liabilities as a result of implementing and administering the Clearinghouse and URS. To the extent that costs are imposed on registries for implementing and administering these mechanisms, such costs should be recovered in full and such cost recovery mechanisms should be guaranteed.

The gTLD Registries Stakeholder group thanks the STI group for its hard work and dedication to discussing and putting forth proposed solutions to balance the rights of intellectual property owners, businesses, noncommercial entities, users and the domain name registry and registrar communities. However, we note that there are still several implementation details that remain unclear regarding both the Clearinghouse and URS Policy solutions. We believe that these details are material, and should be subject to an open and transparent review by the ICANN community. Please see below for additional comment.

Rationale:
The implementation of the Clearinghouse and URS may impose significant costs on registries. For example:

- The Clearinghouse is designed to increase efficiency by serving as a central database to provide information on trademarks. If registries must build and maintain systems to interface with the Clearinghouse, or to use it in Sunrise processes, there will be costs for technical, legal and administrative resources and expertise.

- It is unclear as to whether or how registries will be involved in the execution of URS decisions (described in more detail below). Many of the current proposals could potentially impose significant costs and liabilities on registries.
Comments on Clearinghouse:

Position:
Despite the comments by those in the Business community and others who have no experience in the administration or operation of domain name registries, the implementation of an Intellectual Property Claim service post launch in any real-time or near-real-time capacity would not only impose an undue hardship on domain name registries, but would significantly impact the ability of new registries to compete with the existing TLDs. This would be completely contrary to the purpose of introducing new TLDs in the first place – the promotion of competition and choice. Thus, the requirement to have any form of post launch Trademark Claims process is not only impractical, but should be considered a non-starter. The gTLD Registries Stakeholder group supports the notion of providing an option for domain name registries to provide a pre-launch Trademark Claims process but not post-launch. Registries could decide to use the Clearinghouse after launch, but that should be determined by them according to their specific business models. We support STI Clearinghouse recommendation 7.1 (No Required Post-Launch TM Claims), and oppose the BC minority statement as discussed below. Registries should have a choice to offer either a Sunrise or a trademark claims process, but should not be required to offer both. And if a registry offers a Sunrise, it should not be required to use the Clearinghouse to provide notifications to registrants, registrars, or trademark holders.

Rationales:
The BC states that it wants the Clearinghouse to be used as a tool to "notify registrants of potential domain name disputes at the point of sale, thereby avoiding a substantial percentage of those domain disputes."¹ The BC also states that “A so-called ‘TM Claims’ service should be mandatory throughout the life of new gTLD registries, unless there is strong reason for an exception granted by ICANN.”²

This envisions a system that would inappropriately shift legal and cost burdens from trademark holders and registrants to registries. Registrants have always been responsible for determining if their registrations infringe upon the rights of others, and are bound to appropriate language in their registration agreements, as per ICANN requirements. Trademark holders are also responsible for protecting their marks. These fundamental concepts should remain in place, and registries should not be forced to assume the liabilities and costs of shielding trademark holders and registrants.

Trademark notification and claims services effectively kill real-time registration processes. Their use in open registration periods would disrupt the expectations of registrants, and would fundamentally change economics in the domain name industry -- paradigms that have been in place in the industry for more than ten years.

¹ Letter from Mike Rodenbaugh to GNSO Council, accompanying BC Minority Statement, 11 December 2009.
They impose significant costs on registries and require them to build technology and processes to track the statuses of domain names going through the notification process or a “pending create” process. The BC’s statement that notification and claims systems are “easy” to implement reflects a total lack of understanding of registry processes and is simply untrue.

Under such an approach, the status of a registration would be unsure for some period of time. This would make revenue more unpredictable, and would require fundamental changes to registry and registrar billing processes, grace periods, etc.

It would make gTLDs less competitive than ccTLDs, which are not subject to ICANN requirements.

The BC’s theory that their approach would accomplish the goal of “avoiding a substantial percentage of those domain disputes” comes with no factual support.

**Comments on "Uniform Rapid Suspension Process":**

**Position:**
A number of registries do not believe that we should be involved in administration or enforcement actions related to URS proceedings.

**Rationale:**
URS Sections 4.1, 4.2, 4.3, 5.4, 7.1, and 8.2 of the “Special Trademark Issues Review Team Recommendations" mention various changes that would be made to domain names (and possibly contact and nameserver) records. The Recommendations are silent on what party would execute these tasks. The Recommendations are also silent on what party would send out URS challenge notices and communications.

The role of a domain name registry, given the separation of registry and registrar functions, in updating domain names or performing notifications to challengers and respondents may not be appropriate. As with the UDRP, the registries believe that URS-related notices should be sent by the dispute resolution provider as opposed to the registries. As with the UDRP, we believe the administration of domain updates resulting from URS proceedings should be performed by the relevant registrar. Updating domain records is, and should remain, under the purview of registrars. In general, registries do not have direct contact with registrants, and should not provide registrants and challengers with the envisioned services.

As per the RySG's public comments on the IRT: "[i]f the URS is adopted, it will be critical in the implementation plan to define exactly which statuses apply and to carefully analyze all possible impacts of implementing these statuses. In addition, any possible unintended consequences and possible work-arounds … should be examined."

Domain status terms used in the Special Trademark Issues Review Team Recommendations are not consistent, and are even used in contradictory ways. For
example, in 4.3 the term "hold" is used to mean the domain is put on EPP Hold status to prevent the domain's resolution, while in 7.1 "hold" is used to describe a different situation entirely -- the domain resolves but has been taken away from the respondent. In future discussion of the URS, terms such as "suspended," "hold," "down," and "initial freeze" should all be re-phrased in both 'plain English' and in terms of EPP status. The effects of EPP status are well-understood in the registration services community, and EPP will be required for all new TLDs.

GNSO gTLD Registry Constituency Statement of Support

A supermajority of 13 RySG members supported this statement:

Issue: "Special Trademark Issues Review Team Draft Recommendations"

Date: 16 December 2009

General RyC Information

- Total # of eligible RyC Members\(^3\): 15
- Total # of RyC Members: 14
- Total # of Active RyC Members\(^4\): 14
- Minimum requirement for supermajority of Active Members: 10
- Minimum requirement for majority of Active Members: 8
- # of Members that participated in this process: 14
- Names of Members that participated in this process:
  1. Afilias (.info)
  2. DotAsia Organisation (.asia)
  3. DotCooperation (.coop)
  4. Employ Media (.jobs)

\(^3\) All top-level domain sponsors or registry operators that have agreements with ICANN to provide Registry Services in support of one or more gTLDs are eligible for membership upon the “effective date” set forth in the operator’s or sponsor’s agreement (Article III, Membership, ¶ 1). The RyC Articles of Operations can be found at [http://www.gtldregistries.org/about_us/articles](http://www.gtldregistries.org/about_us/articles). The Universal Postal Union recently concluded the .POST agreement with ICANN, but as of this writing the UPU has not applied for RySG membership.

\(^4\) Per the RyC Articles of Operations, Article III, Membership, ¶ 4: Members shall be classified as “Active” or “Inactive”. A member shall be classified as “Active” unless it is classified as “Inactive” pursuant to the provisions of this paragraph. Members become Inactive by failing to participate in a Constituency meeting or voting process for a total of three consecutive meetings or voting processes or both, or by failing to participate in meetings or voting processes, or both, for six weeks, whichever is shorter. An Inactive member shall have all rights and duties of membership other than being counted as present or absent in the determination of a quorum. An Inactive member may resume Active status at any time by participating in a Constituency meeting or by voting.
5. Fundació puntCAT (.cat)
6. mTLD Top Level Domain (.mobi)
7. Museum Domain Management Association – MuseDoma (.museum)
8. NeuStar (.biz)
9. Public Interest Registry (.org)
10. RegistryPro (.pro)
11. Societe Internationale de Telecommunication Aeronautiques – SITA (.aero)
12. Telnic (.tel)
13. Tralliance Registry Management Company (TRMC), (.travel)
14. VeriSign (.com, .name & .net)

- Names & email addresses for points of contact:
  - Chair: David Maher, dmaher@pir.org
  - Alternate Chair: Jeff Neuman, Jeff.Neuman@Neustar.us
  - Secretariat: Cherie Stubbs, Cherstubbs@aol.com

Regarding the issue noted above, the level of support in the RyC is summarized below.

1. **Level of Support of Active Members**: Supermajority
   1.1. # of Members in Favor: 13
   1.2. # of Members Opposed: 0
   1.3. # of Members that Abstained: 0
   1.4. # of Members that did not vote: 1

2. **Minority Position(s)**: N/A