

# NCSG Request for Reconsideration of Staff Decision to Expand Scope of TMCH

## ICANN's Noncommercial Users Request Board Review of Staff Decision to Expand Scope of Trademark Clearinghouse in Violation of ICANN's Bylaws

ICANN's Non-Commercial Stakeholders Group (NCSG) has filed a Request for Reconsideration with ICANN's Board of Directors regarding the staff's decision to expand the scope of the trademark claims service beyond that provided by community consensus policy and in contradiction to ICANN Bylaws.

Specifically at issue is ICANN staff's unilateral decision to adopt the "trademark +50" proposal for new domains, which would provide trademark holders who have previously won a UDRP or court decision with rights to 50 additional derivations of their trademark in ICANN's Trademark Clearinghouse (TMCH). Under staff's plan, large trademark holders that register in the clearinghouse will be provided thousands of derivations of their trademarks since each separate country's registration of the same trademark provides the brand owner with an additional 50 entries in the TMCH.[1] Entries in the TMCH trigger infringement warning notices to domain name registrants which can lead to increased liability for registrants, discourage lawful registrations, and chill speech on the Internet.

ICANN's bottom-up community-developed process for creating policy had approved of a TMCH model that allowed "exact matches" of trademarks only to be placed in the TMCH. In 2007, ICANN's GNSO Policy Council, including representatives from the Intellectual Property and Business Constituencies, approved the GNSO recommendations that created special protections for trademark rights by a supermajority vote.[2] As part of the multi-year consensus process, both the subsequent Special Trademarks Implementation (STI) Team and the Implementation Review Team (IRT) considered the issue of providing rights to exact matches or additional derivations, and both community-developed teams specifically opted for exact matches only to be placed into the TMCH. ICANN's CEO testified before U.S. Congress in 2012 that expanding the scope of the TMCH further would be inappropriate since it would create new rights that do not exist in law and ICANN should not be creating unprecedented rights.[3]

Many months after the final TMCH model of exact matches only was published in ICANN's Applicant Guidebook and new domain businesses relied on it when filing their applications, ICANN's Intellectual Property and Business Constituencies lobbied ICANN's new CEO to make drastic changes to the community-developed policy and grant additional trademark rights in the TMCH.

After the October 2012 Toronto ICANN Meeting, a "strawman solution" was proposed by ICANN's new CEO which included a number of IPC/BC's substantive policy proposals to give trademark holders additional privileges in the domain name system, including changing the exact matches only standard approved of by the community.

Yet ICANN's CEO recognized that expanding the scope of the trademark claims service was a policy matter requiring GNSO Council guidance, as he stated on his blog[4] in December 2012; and the CEO did write to the GNSO Council to request guidance on this policy proposal. Under ICANN's Bylaws, staff may not change GNSO-approved policy, except under a strict process that involves consulting with the GNSO and a 2/3 vote of the Board of Directors.

NCSG filed comments on the proposed policy changes and warned against re-opening previously closed consensus agreements and circumventing ICANN's stated bottom-up policy development process.[5] In addition to the flawed process for adopting this policy, NCSG also detailed substantive concerns with staff's proposal to expand trademark rights beyond anything that exists in trademark law. It came as no surprise that only members of the IPC and BC supported the strawman proposals in ICANN's comment period.[6]

In the GNSO Council's February 29, 2013 response to the CEO regarding the proposal to expand the scope of trademark claims, the GNSO Chair wrote, "the majority of the council feels that proposal is best addressed as a policy concern, where the interest of all stakeholders can be considered." [7] Thus the GNSO Council also determined this specific proposal to be a policy matter, requiring consultation from the entire community before such a change could be made to existing GNSO Council approved policy.

Yet with only an email sent on 20 March 2013, ICANN staff announced in an attached memorandum that it would expand the scope of the trademark claims service to give trademark holders rights to 50 additional derivations of their trademark, in contradiction to GNSO developed policy of exact matches only and the subsequent requested GNSO Council guidance on the matter.[8]

Staff's only explanation for such a drastic shift in the creation of new rights: "this proposal appears to be a reasonable add on to an existing service, rather than a proposed new service". Thus with a single line of evasive text, years of hard-fought community consensus policy was brushed under the rug and the new era of policy development via ICANN staff edict was solidified.

On 19 April 2013 NCSG filed this Request for Reconsideration of the staff decision because ICANN did not follow its stated process for changing GNSO-approved policy. If ICANN wants to deviate from Supermajority GNSO-approved policy, it must follow the process outlined in the organization's Bylaws, Annex A Section 9.[9] As an organization that holds itself out as a champion of the bottom-up policy development process, ICANN is obligated to comply with community-developed policies, unless the Board of Directors can muster the necessary 2/3<sup>rd</sup> vote to over-turn the community decision. That mandatory process was not followed by ICANN's staff or Board in over-turning the community-approved policy in favor of staff's policy to expand the scope of TMCH.

ICANN's Board Governance Committee has thirty days in which to make to a recommendation to ICANN's Board of Directors regarding the NCSG's Request for Reconsideration or report to the Board on why no final recommendation is available and provide a timeframe for making a final recommendation on the matter. ICANN's entire Board should consider the recommendation of the Board Governance Committee at its next regularly-scheduled Board meeting.

Under Article IV Section 2 of ICANN's Bylaws, the Request for Reconsideration process is a mechanism intended to reinforce ICANN's accountability to the community for operating in a manner consistent with its Bylaws.[10] Because the staff's unilateral decision to change GNSO-approved policy was not consistent with ICANN's Bylaws and contradicted ICANN stated policy, NCSG filed the Request to correct the error and bring ICANN into compliance with its Bylaws and stated policies.

NCSG requests that the Board reinstate the community-developed policy of giving trademark holders rights to include exact matches of their trademark only in the TMCH, which was the policy stated in ICANN's Applicant Guidebook when ICANN accepted applications for new domains.

- NCSG's Request for Reconsideration: <http://www.icann.org/en/groups/board/governance/reconsideration/request-gross-19apr13-en.pdf>
- Attachments to NCSG's Request for Reconsideration: <http://www.icann.org/en/groups/board/governance/reconsideration/request-attachment-gross-25apr13-en.pdf>
- ICANN Website on Requests for Reconsideration: <http://www.icann.org/en/groups/board/governance/reconsideration>

[1] <http://domainincite.com/12451-loop-hole-gives-trademark-owners-unlimited-clearinghouse-records>

[2] <http://gns0.icann.org/en/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm>

[3] [http://www.internetcommerce.org/ICANN\\_Amnesia](http://www.internetcommerce.org/ICANN_Amnesia)

[4] <http://blog.icann.org/2012/11/a-follow-up-to-our-trademark-clearinghouse-meetings/>

[5] <http://ipjustice.org/wp/2013/01/14/statement-of-icanns-non-commercial-stakeholders-group-ncsg-on-the-trademark-clearinghouse-talks-and-staff-strawman-model/>

[6] <http://forum.icann.org/lists/tmch-strawman/msg00096.html> See also:

Comments of Registrar Stakeholder Group: <http://forum.icann.org/lists/tmch-strawman/msg00027.html>

Comments from New TLD Applicant Group: <http://forum.icann.org/lists/tmch-strawman/msg00014.html>

Comments of Non-Commercial Stakeholder Group: <http://forum.icann.org/lists/tmch-strawman/msg00029.html>

Comments of the Internet Service Provider Constituency: <http://forum.icann.org/lists/tmch-strawman/msg00011.html>

Comments of Public Interest Registry: <http://forum.icann.org/lists/tmch-strawman/msg00024.html>

[7] <http://gns0.icann.org/bitcache/d8eaf7ce8d121b69d340d1d14223520fd7d478b3?vid=46277&disposition=attachment&op=download>

[8] <http://newgtlds.icann.org/en/about/trademark-clearinghouse/strawman-solution-memo-20mar13-en.pdf>

[9] <http://www.icann.org/en/about/governance/bylaws#AnnexA>

#### GNSO Policy Development Process

Section 9. Board Approval Processes. a. Any PDP Recommendations approved by a GNSO Supermajority Vote shall be adopted by the Board unless, by a vote of more than two-thirds (2/3) of the Board, the Board determines that such policy is not in the best interests of the ICANN community or ICANN. If the GNSO Council recommendation was approved by less than a GNSO Supermajority Vote, a majority vote of the Board will be sufficient to determine that such policy is not in the best interests of the ICANN community or ICANN.

b. In the event that the Board determines, in accordance with paragraph a above, that the policy recommended by a GNSO Supermajority Vote or less than a GNSO Supermajority vote is not in the best interests of the ICANN community or ICANN (the Corporation), the Board shall (i) articulate the reasons for its determination in a report to the Council (the "Board Statement"); and (ii) submit the Board Statement to the Council.

c. The Council shall review the Board Statement for discussion with the Board as soon as feasible after the Council's receipt of the Board Statement. The Board shall determine the method (e.g., by teleconference, e-mail, or otherwise) by which the Council and Board will discuss the Board Statement.

d. At the conclusion of the Council and Board discussions, the Council shall meet to affirm or modify its recommendation, and communicate that conclusion (the "Supplemental Recommendation") to the Board, including an explanation for the then-current recommendation. In the event that the Council is able to reach a GNSO Supermajority Vote on the Supplemental Recommendation, the Board shall adopt the recommendation unless more than two-thirds (2/3) of the Board determines that such policy is not in the interests of the ICANN community or ICANN. For any Supplemental Recommendation approved by less than a GNSO Supermajority Vote, a majority vote of the Board shall be sufficient to determine that the policy in the Supplemental Recommendation is not in the best interest of the ICANN community or ICANN.

[10] <http://www.icann.org/en/about/governance/bylaws#IV>