RECORDED VOICE: This meeting is now being recorded.

JORDYN BUCHANAN: Alright. Good. Now we’ve started the agenda. I want to talk through the agenda really quickly. Most of this call will focus on the INTA survey results. Lori Schulman, from INTA, will be presenting that. Then we’ll have a quick update on the public comments, and the state of the draft report from Jean-Baptiste. And then any other business that folks would like to add.

Before we get to that point, though, let me ask two questions first. Is there anyone on the phone who’s not in Adobe Connect, for housekeeping purposes? Okay. And secondly, has anyone updates to their statement of interest? Okay.

Let’s go ahead and kick things off with the INTA survey. We’ve been excitedly waiting for this for quite a while. So, highly appreciative of the fact that INTA’s put it into the field, completed it, and now sharing it with the review team. I think everyone’s familiar with the high-level goal of having a survey to look at the costs of the program to trademark holders in particular. And so with that, I will hand things over to Lori to walk us through a review of the report that they’ve completed. Thanks.

LORI SCHULMAN: Hello. I want to make sure everybody can hear me. Thumbs up on hearing me. Good, okay, thank you. So basically, this report is a follow-up to the report I gave in Copenhagen. And the slides that we will be
seeing today are simply high-level slides, so they’re put together based on the results of the report which is over 70 slides. The report is that intensive number. Intensive, I think, given the interests of this particular team, you’ll be happy with the level of data that we’ve been able to produce.

So, I sent Eleeza a full copy of the report that is free for you to look at, pass around. As of this moment, it is publicly released into (inaudible) because we wanted this group to be able to view the data before anybody else. So a few high-level leaders at INTA have seen the results, you will be seeing results, and then the rest of the community will see results.

So I’m going to the next slide. Now these few slides are repeats of what we saw in Copenhagen, but I did want to bring you up to date. If you recall my update last time, talked about the response rate to the report, the demographics of who actually answered, and some challenges that we had in terms of getting such a complex report answered in a timely way from corporate members, who really don’t have lots of time. But that being said, the survey opened in January, January 9th. Closed in February, February 28th. Who responded and how, in terms of the demographics, is now available in the main report, slide three.

In my presentation you’ll see notations, report slide and the number. So for every high-level comment that’s made here, the corresponding slide that substantiates the comment, or refers directly to the comment, is there. So it might be helpful for people to take this presentation that I’m giving today, and just compare it to the main report, at least help you to dive into some of the information.
So the report was sent to 1,096 INTA regular members. And I do want to note in the records that at the time, I had used the number 1,700. That was not a correct number. I thought that we had sent you a subset of regular members, but in fact, we had not. All 1,096 are what INTA considers regular members who hold portfolios.

The questions that we did were based on CCTRT input, and a worksheet that was put together by INTA to assist the survey respondents in preparing.

We had 33 responses total, out of the 1,096 that were sent. We had 32 for profits, and one not for profit. And as I mentioned before, all of this data has been analyzed, put into a formal report in PowerPoint format by Nielsen, and reported to the CCTRT with a full copy. And I’m sure it will be posted to you shortly if it hasn’t been posted already.

So I have gone over very quickly, I’ll restate. We had 93 members answer the survey; ultimately, 33 were completed; 48 were suspended; some did not qualify for various reasons, and three were in the survey when it closed.

The feedback that we got in terms of the challenges, was that the survey was just too long. Even though we had prepared a worksheet and had guesstimated that the survey should take around 30 minutes to an hour once the worksheet is prepared, we found the feedback to say, no. The survey took a lot longer, the prep time was a much longer and many people reported spending five to ten hours, which is an extraordinary amount of time to do a survey.
Other feedback we got is that numbers that were asked for by the CCTRT and INTA were really not kept the way we were asking for them. That the information was so confidential that even with a third-party provider and an NDA, there was no confidence in releasing the information. That the information was dispersed throughout the company, there wasn’t a central repository for data, which made data gathering difficult. And again, that the worksheet did not correspond to all of the questions that required data. This was an interesting point, because we had testers go in, do the worksheet and take the survey. I was one of those testers. And even in the testing phase, we didn’t point out the lack of correlation until the actual text was given. So we’ll have to work harder and better on that for the next survey that we do.

I will say this, though, that in response to the concern that the data was not being asked for in a way that companies normally keep their records, INTA plans to update the worksheet and provide it as a tool for its members, and this should help in follow-up studies. And I want to say that this particular follow-up point corresponds directly to one of the recommendations made in your initial report. Specifically, that there should be ongoing data collection. So this will help in that endeavor, and INTA plans to do it independently with its members, but we would certainly be willing to share with the CCTRT for a wider community and a wider survey.

So how do we make meaning of the data, given that we had 33 respondents? We were hoping for perhaps 50. Nielsen was cautionary in saying that when we look at this data given the response rate, that we look at the data more as an indicator of trends, and not trends in and of themselves. So while the data may be factual and accurate,
again, given the number of respondents, we always have that concern in the back of your mind that this might indicate something greater, but we just don’t have the numbers to support it at the moment.

This was a new endeavor for INTA, and given that the survey was an onerous one in terms of data extraction, we’re actually pleased with the participation of our members. This still reflected a 3% response rate, which is very good for any survey. And I think a survey of this complexity, it was fantastic.

We, as INTA, aim to continue to review the gTLD’s much more thoroughly, and this is the starting point. And the refinement of the survey worksheet, as I pointed out before, will be a centerpiece in this. Until we can get our members really focused on continual collection of data, in a form that can be used to help advocate for our positions, and substantiate arguments that we’re making, in terms of whether or not certain programs are effective or ineffective, we need to have consistency of data.

The breakdown of the new gTLD report that was prepared by Nielsen, follows the following outline. There’s a background piece. There’s a note on reading the report, which reflects some of the things I was saying in terms of the response rate. It talks about members who participated. Summaries and key findings. There is a big section on domain activity, what kinds of names are being registered, how they’re being registered, whether or not they’re being parked. Which is also another concern that I highlighted in your initial report.
There’s a section on enforcement costs. It breaks the enforcement costs down to new gTLD’s, to UDRP’s, to complaints, to claims. They’re very fact specific in what enforcement means. There’s behavior policies and perceptions. This is where our members talk about issues like premium pricing, how they feel about the sunrise period. There’s a lot of anecdotal evidence in this section. There’s a summary of thoughts on slide 55. We have two appendices. We have additional verbatim comments from our members, who had actually quite a lot to say about the RPM’s and premium pricing. And we have the actual survey and worksheets for the group to consider.

Am I speaking too slow or too fast? Or does anybody have any questions, before I move on?

JORDYN BUCHANAN: You’re doing very well.

LORI SCHULMAN: Okay, then I will move on. I have a tendency to speak quickly. And then overcompensate and speak slowly.

So the first observation we have from the survey, is that registrations of new TLD’s are overwhelmingly defensive. The registration of new TLD’s which prevent someone else from registering, in I think it was 90% of the cases. Few of the respondents felt there were alternatives to consider, whether registering a new legacy or ccTLD. So this wasn’t really an issue about choice, as much as it is making sure that someone else isn’t getting a name that could cause you a lot of problems, or
cause the trademark owner a lot of problems, if it’s registered in the wrong hands. And this data’s presented on study slide nine.

The next observation is that trademark defense costs have increased as a result of the new gTLD program. Average cost for all TLD’s for two years were $228,000. For new TLD’s for two years, 40,528 which represents approximately 7%. These figures are further broken down on slide 20.

What was noted in the analysis as well, in terms of spending and trends, we see relatively lower spending in new TLD’s, by virtue of the fact that they are new. But as they increase and their proportion in a portfolio increases, we would likely see the proportion of spending increase for defense as well.

Essentially, new gTLD’s are parked. Domain names registered by brand owners and new TLD’s are commonly parked, and not creating value other than preventing unauthorized use by others. So this isn’t a question of picking a new TLD that might have been interest in value, and then you redirect it somewhere else because you think it’s going to drive traffic. That doesn’t appear to be the case in this study. And you can find those answers on study slide nine.

The next interesting piece of data – I’m sorry, I’m sliding too fast. The next interesting piece of data is that company size does not correlate to company spend. Prior to having these results, we had anticipated it would be the larger companies spending the most money, and that is not the case. Actually, brand activity is the driving factor. And we have put a definition around brand activity, so that the team could analyze
what this means in terms of the program as a whole. Brand activity refers to the number of trademarks and how much activity there is around trying to protect or expand them. So for example, you can have a big company with one brand, but it’s not in a very dynamic market. So much less would be spent. Or you could have two similarly sized companies and they still have variable costs, because one has many brands, one has one brand. They may have different markets. So it’s not about size as much as it is about quantity.

We also learned that TMCH registrations are used by the majority of the respondents. 90%. The cost run, you can see here, the average number is 15, and the average cost is $7,773 on the TMCH. It was a pretty wide range, $1 to $48,000 in terms of cost. And zero to 148 in terms of TMCH registration. And you can find this data on study slide 29.

Generally, our members found that RPM’s are helpful. Two thirds of the respondents surveyed feel that UDRP’s and required sunrise periods have helped mitigate risk to a major or moderate extent. I do believe this corresponds to a conclusion that you made in your initial report as well, if I remember correctly. You can find the data broken down in slide 51. And as I said, the whole section that discusses the TMCH, RPM’s, premium pricing, all the issues surrounding launches in the new gTLD program, there’s quite amount of detailed information, and I felt it was too detailed to put in this particular presentation, as our own membership is also diving into the numbers and really trying to figure out what it means to the overall new gTLD program and brand owners. So we would certainly be open to once this team has analyzed the data and reaches its conclusions, to get together once again to see if our thoughts about what these numbers represent are in alignment.
Premium pricing. A lot of our members had a lot to say about premium pricing. Three quarters of the respondents evaluate premium pricing for domain names on a case by case basis. Two thirds of their decisions have been affected by premium pricing. And what I think is a very interesting number, is 15% of the respondents refused to pay premium pricing at all. So you do have a percentage of the brand owning population that just will not pay premium pricing. So in terms of whether or not it’s a good strategy overall, and from a trademark side, we don’t support premium pricing. On your side of the house, in terms of selling domain names, whether or not it’s worth it to run programs when you have a significant number of respondents refusing to pay. I don’t know how helpful that is either. And I think this is really going to have to be thoroughly sourced out, debated, and the numbers very carefully looked at. And you can see this data on study slide 48.

The next is about who is data, which we’ve kind of known. I don’t think it’s a big surprise. But we have it here in terms of the respondents from the survey saying, among brand owners who have taken action against domain name registrants, more than three in four involve privacy and proxy services, and nearly two thirds encounter some level of inaccurate, incomplete WHOIS information. And this is a source of vexation for INTA members and has been so for years, as many in this group well know. But it’s extremely difficult to get accurate information to have effective enforcement, because we just don’t know who owns the domain names. And in terms of the privacy proxy services, we know that there are plans to implement gated access, but those plans are slow to take root and it remains an ongoing concern. You can find this data on study slide 41.
The ultimate conclusion of the study is defense, and not choice, is driving domain purchases in the trademark community. While the goal of the new gTLD program was to increase choice, for brand owners it doesn’t seem to be about choice, it seems to be about defense. And this is, again, an issue that is a top concern, simply because we do not feel that it is appropriate for the branding community to fund new gTLD’s out of a defensive posture. There has to be some other good business reason, otherwise this generation upon generation upon generation of new TLD’s just creates exponential defense issues. And I think this data is the beginning of finding out what those issues truly are.

And there is even, you know, contention within our own community, and I’ll be very open about that. We have some of our members who are very anxious to get started with sat brands and they feel that they can monetize these sat brands and use these sat brands in a way that drive a very good marketing strategy. And then we have other members who are constantly playing a game of whack-a-mole with new domain names, and who are literally tracking tens of thousands of counterfeit domain sites. Domains that are either hosting counterfeit goods or promoting counterfeit services, and this is an ongoing enforcement problem. I know that in the United States, some of the IP enforcement figures that I’ve seen, is that there could be luxury brands out there that monitor literally 30,000 to 40,000 websites with counterfeit goods in any given period of time. And that’s an extraordinary number.

So what are the next steps? The full report has been presented to the CCTRT. As I said, it might be on your list now, I just don’t know. Of
course, you will review it. If you have questions or feel that you need a follow-up meeting or another presentation, or some more consultation with INTA or with Nielsen, we can work that out, or perhaps even set up more time in Johannesburg, if not before. And to reiterate that INTA understands the importance of data collection. We agree with the top priority and contention of this group that there needs to be more and continuous data, and that INTA will be developing a tool for continuous tracking of costs of its members. Thank you.

JORDYN BUCHANAN: Thanks, Lori. It looks like we already have a question from Kaili, but I’ll encourage others to have questions for Lori to get in the queue. I have some questions myself. I’ll put myself after Carlos, who’s also raised his hand, and before Laureen. Alright, so Kaili, go ahead.

KAILI KAN: Yes, thank you Calvin. I read the (inaudible) report. I just wonder, besides the full report (inaudible) like an abstract of the full report. Is it made available to everybody that works here? (inaudible). Yes, please.

LORI SCHULMAN: Yes, thank you. I mean, what I could try to do is append this somehow in the room. The report is 75 slides, okay? And 20 of the 75 slides are the survey itself and some anecdotal evidence. War stories, so to speak, that support some of the contentions of the numbers. The actual slides that contain data, number about 50. So I don’t – we hadn’t really thought about carrying that further down into an abstract, but we
certainly could consider it. And I don’t know, if (inaudible) has the report now, is there some way of appending it into the chat so people could open it? I just know, and there isn’t any way to look at two documents side by side in Adobe. We’ve tried to do that in another work group, and I know we’ve never had good success, and I didn’t want to confuse the high-level points with the actual report. Because going through 50 slides would take many hours, given the density of the data.

KAILI KAN: Yes, well, the slides that you just shared, I felt it pretty much like an abstract of your full report. I’m just wondering if we can get both. And also, I just wondered is there a limitation among distribution, or what extent would you like to keep it within a certain (inaudible) or what? Because this, just like (inaudible) domain name parking, and this might be a very serious issue, I mean, for China. So whether you would mind if I distribute this to some of my Chinese colleagues.

LORI SCHULMAN: Thank you, Kaili. So I’m going to answer all of your questions. If you look into the chat right now, there is a link to the full report. So you have it. This report is considered published as of right now, so you are welcome to distribute it to anyone who you think has an interest in the report. So yes, you can have two copies.

In terms of limitation of distribution, given the amount of data we intended to collect, the size of the INTA membership, the composition of the INTA membership, there was a strategic decision made to limit
the survey only to what INTA calls regular members. Or regular non-profit members. And a regular member is an INTA member who is a trademark portfolio who owns and manages a portfolio.

Now, there are some members of INTA, and there’s Jonas for example, that Jonas has a trademark. But Jonas is not considered a regular INTA member. Jonas is considered an associate member, a service provider. So we do have – our membership composition is approximately 7,000. One thousand of those members are what I would call hard-core brand managers. They may be Fortune 500 corporations, non-profit organizations, sports associations, universities, anybody managing a brand. The other members are categorized as associates, which are typically law firms, service providers, which could be search firms, investigative firms, watch services or registrars and registries, who do provide services to INT trademark members. We had thought about sending it out to all the law firms.

The problem with the law firms is, we ran the risk of the lawyers sending multiple copies of the survey to members, multiple times. It would have been very hard to track who was getting the survey and when. So for the ease of administration and to understand exactly the demographics of who would be answering, we limited it to that very defined universe of membership. And I think those were all of your questions. I hope I answered them all.
JORDYN BUCHANAN: Lori, I think Kaili had one other question which is the slides that you presented today, can you distribute a copy of those slides as well, in addition to the full report?

LORI SCHULMAN: Sure. You have a copy. You’re welcome to post it as well. There’s nothing secret about anything we’re doing here.

JORDYN BUCHANAN: Alright. So we’ll make sure the staff gets those distributed to members.

KAILI KAN: Thank you.

LORI SCHULMAN: Thank you. And I apologize for any typos in advance.

JORDYN BUCHANAN: Thanks Lori. I have Carlos next in the queue.

CARLOS GUIERREZ: Yes, thank you Lori. This is really interesting. I’m very interested in this slide 27 of the big presentation on the average costs. I guess this is difficult to discuss over a call. But I would like to know if there is a breakdown of these costs, or a better explanation how these costs were calculated. And to put it in form of a question, do you think it’s possible, or do you see out of the report, the possibility of answering
the following question: can we get a differentiated feeling between the one-time cost of the assignment of new gTLD’s as opposed to the permanent or running costs of these members of yours that work on protecting the brand? Because I think it makes a big difference and they might have spent a lot of money. I don’t know if I agree with the statement that costs might increase. I’m sure it was expensive in the first round, during the delegation of new gTLD’s, sunrise period, whatever.

But I would be careful to look very closely at the running costs, and try to avoid the feeling that the running costs are impacted by the new gTLD’s, or the running costs are just impacted because they have more domain names to watch. And that’s a totally different story in terms of the purpose of this review team. We are reviewing, in my view, the delegation process. And whatever happens later on with the people who have brands and so on, it’s only indirectly related to this work. So if there is a link or a better explanation of slide, let me see again, 27 I think, or more input from Nielsen, I would be very grateful. And thank you again, Lori.

LORI SCHULMAN: Thank you, Carlos. I’m going to take a stab at that question. First of all, the costs we’re talking about are defensive costs, so costs to defend. In terms of whether that’s fixed the delegation or ongoing, I don’t know that we (inaudible) it out that specifically, and honestly, I would disagree with you that it’s not just about the delegation. Because as soon as you delegate, you have an ongoing life. I mean, that’s the whole point. If you were to expend the cost to buy a domain name in
year one, but then you don’t count renewal costs in year two, three, five, whatever the period is, or you don’t cost out what the claims service might be costing you in terms of as your portfolio grows and new TLD’s grow, I don’t know, I see it as more dynamic and not fixed.

But that being said, I understand what you’re asking. What I would do, is I would certainly direct you to the survey itself. The questions are broken down at the end of the slide, and if you went to the questions that talked about these expenses, you might for yourself see how we broke them down. I can’t clearly answer beyond that. If you don’t feel that that’s sufficient, we certainly can make a notation. Perhaps make some sort of follow-up question in the worksheet we’re devising. But I note your concern, and I’m not sure that INTA would agree with the concern or not, but it’s one that we would certainly evaluate.

CARLOS GUIJERREZ: Thank you very much, Lori. I will follow up. Thank you.

JORDYN BUCHANAN: Thanks Carlos. I think I put myself in the queue before Laureen, and I have a bunch of questions but I’ll just ask one or two and then hand it over to Laureen. I guess one of the things that you point out in the slide is that there’s a cost, I think you said on average, it’s about 7% of the total portfolio cost relates to new gTLD’s. And then separately, that the sort of number of registrations scaled with the brand activity versus with the sort of size of the company.
And I guess I’m curious is that sort of implies that you’d expect that 7% to sort of scale across companies as well. Obviously not exactly 7% per company, but it seems like what you’re saying is, the companies that spend more on stuff related to their brand in general, presumably that includes other domain names not in the new gTLD’s, they’re also spending more money on new gTLD’s. So would you expect to find that the relative proportion of the budget being spent on new gTLD’s will look kind of consistent, or like you say, scale with brand activity versus other factors?

LORI SCHULMAN: Yeah, my initial reaction is yes, I would expect it to scale. So programs grow as opportunities grow to this issue of choice. And even though choice does not seem to be a factor, I would imagine at some level choice does play into it. Particularly if there’s a lot of brand activity. If you’re a company with multiple brands and multiple streams of commerce, using multi-media outlets to market, it may make sense to use a dot something versus a dot com. You know, a dot new versus a dot com. I don’t think we have that data today that will tell you definitively. But that was a conclusion that Nielsen reached. How they reached it, I’m not entirely sure, and I’m going to be the first to tell you. I’ve read this report probably four times.

And on the fourth time I’m still looking at numbers differently, and still trying to source out what can legitimately be imputed, given the number of respondents and given the fact that the level of detail we’ve asked for is not on par with the level of detail of record keeping of our members. So there’s a lot of factors in this. So I would say that yeah, I
think we look at this as trends. All of this as trends. And until we do another report, it will be very difficult to substantiate the trends.

JORDYN BUCHANAN: Sure. Yeah. Thanks Lori. So I’ll ask one more quick question and then turn it over to Laureen and maybe come back. You also mentioned that some of the RPM’s were helpful, and you called out UDRP and sunrise in particular. Something that’s new in this round was the introduction of URS. Was there any reaction by INTA memberships as a URS in the survey?

LORI SCHULMAN: Yeah, there are. There is substantive data on the URS. I can’t speak specifically the numbers off the top of my head, but there are slides in the deck that do focus on the URS. I will say that for many, the URS – we seem to have a split in the membership. Some find the URS very helpful as a deterrent. Others find the URS needless, because the remedy for the URS, if you recall, is just ascending the delegation of the name, of the second level name. It isn’t a transfer, it isn’t taking, you know, it isn’t getting the name to a status where it couldn’t be reissued to someone else.

And that’s a frustration for many trademark owners who do invest in the URS and would like to see a more permanent remedy. I’ve had others say to me they don’t do URS. The reason they don’t do URS is because they can’t effectuate a domain name transfer into their portfolio. So my guess is this is going to be a balancing act, that we’ll have to look at the numbers and the anecdotes. Because I think in this
particular case, you’re going to learn a lot more from the stories than you may actually even learn from the numbers.

JORDYN BUCHANAN: Okay, thanks Lori, that’s helpful. Alright, I won’t hog the mic, I will turn things over to Laureen, and then Kaili’s back on queue and I’ll probably ask a couple more questions after that. Go ahead, Laureen.

LAUREEN KAPIN: Thanks, Jordyn. Can everyone hear me?

JORDYN BUCHANAN: Yep.

LAUREEN KAPIN: Okay. So first of all, thank you Lori, this is really, really interesting, particularly regarding the data, the expectations about the response rate to the survey, the ease of the survey and then the contrast of the reality and possible answers to why those didn’t sync up. I think that’s really important for us as a review team to think about since so many of our recommendations deal with gathering data, and this is such a great case study about challenges there and lessons learned. So thank you very much for the presentation, and of course, your organization for fielding this study. I was particularly interested by the statement you made about the trademark owners funding the new gTLD, and I realized that’s sort of an aside.
But I was wondering what, and if I missed this I apologize, was there an analysis done of what percentage of new gTLD’s were actually bought by the IP community for defensive purposes when compared to all the new gTLD’s that were bought?

LORI SCHULMAN: Hi Laureen. I think that’s a fabulous question. I am not aware of an industry report. There was no way we could do that in our report because we were not surveying registrars and registries, we were only surveying our members. What comes across, and I am going to use this figure, and I’m going to use it with a cautionary note, that until more of our members look into the numbers, I may not be ready to say this is definitive, but one of the comments that I got internally, and I’ll explain – so we got a final of the copy of the report maybe a month ago, not very long ago.

And we had to go through it and of course correct some typos and formatting errors and look at the assumptions and make sure that they were aligned with what actually happened inside the survey. And then it gets reviewed by the internet committee leadership, it gets reviewed by INTA senior staff, myself included, our CEO and our Chief of Policy. And then our comments go back to Nielsen and the report gets finalized. And so we certainly did not adjust data or do anything to change outcomes, it was a question of what should the report look like, and what would be the easiest way to access data to make it readable. So that’s what we look at.
So, one of the things that went back and forth about this $40,000 number, is my understanding is that in order for a registrar to qualify as a registrar and to start up a registrar’s business, it takes about $25,000. That’s the number that was not unsubstantiated. But the comment was made that, well, if it costs $25,000 per registrar and our members are spending $40,000, that’s a little odd. Now, what that means in the long term, I don’t know. I mean, that’s going to be the responsibility of this team, your team, to review, and INTA to review internally. But it looks like there may be some imbalance between sort of, what it costs to do business, at least initially, and what trademark owners to, I think it was Carlos’ point, what’s the initial outlay versus ongoing outlay. I just think it’s interesting to think about.

LAUREEN KAPIN: Yeah, it’s an interesting question and since I don’t have the data I can’t draw any conclusions, but just wearing my (inaudible) hat, let’s say that a disproportionate, whatever that means, a disproportionate is the new gTLD program turns out in fact to be funded by defensive registration. Well, that’s almost akin to like, a pyramid scheme where people aren’t actually creating a market for products that people want to buy. Instead, they’re creating a market to entice other people to buy the products so that the people at the top of the chain can make money. And I’m not saying that’s what’s happening, I have no idea. But if that were the case that there’s this disproportionate amount of money spent not for a business interest for new gTLD’s, but just to protect, you know, their IP rights, that strikes me as very problematic.
LORI SCHULMAN: Laureen, thank you. I think we would have members that agree with you. And what I would do, is I would really encourage this review team to look not only at the numbers but at the anecdotal evidence. Because, true or not, the perception in the trademark community is that’s exactly what’s happening. That this is a money machine for ICANN. That this is the printing press for ICANN. I’ve heard it dozens of times from my membership. Now, do numbers substantiate that? I don’t know. That’s what we’re all here to find out. So I welcome that.

What I would ask the group too, is when you come up with these questions, maybe the group could put together a question sheet, a question communication, send it to me. That would be helpful. So we have it written down so we can think about how to approach some of these issues. And I saw that Kai had put into the chat that he wasn’t sure whether or not the results of this communication, this study, were going to be included in your report, and I would strongly recommend that they are.

Because the whole point of doing the report, having you guys see it first, we actually, for the comments that we’re submitting next week, we’re not going to reference the report very specifically, simply because our comments were drafted before the report was released, because it was today. We will reference it very generally, but in terms of the deep dive, the understanding from us was, from INTA, that if we invested this time and money, that if we showed you the results, we worked closely, that these results would be included in the final report rather than as appended comments. Because I think there’s a higher value when the results are inside the report, rather than appended as a comment.
JORDYN BUCHANAN: Yeah, thanks Lori. I think your understanding matches mine as well, this is Jordyn Buchanan again, that we intend to examine your report and use it as an input into our report. It may be that we don’t include the report itself as an attachment or something like that, but certainly the findings in your report are, I think, valuable to our own investigation and will be considered as we put together our own findings and recommendation.

I’m just going to make one quick comment on the point that Laureen was just making. I think we’ll need to think through the numbers a little bit more, but I note that if it’s true that brands are spending on the order of 7% of their total expenditure on new gTLD’s, whereas we see in the overall marketplace something like 12% of gTLD registrations, or new gTLD’s, it means that relative to the marketplace as a whole, they’ve actually have a smaller fraction of their portfolio in new gTLD’s than the general, sort of, global market. Which is not surprising if they’re only viewing it as a defensive purpose.

The implication from that, to me, is certainly not that the majority, or certainly not the entirety of the activity in the new gTLD’s is defensive energy by RAMS since there’s a larger fraction of the total marketplace than what brands are purchasing in terms of their new gTLD portfolios. But we’ll need to take a closer look at the data in respect that with the other bits that we’ve seen before drawing strong conclusions. I would agree with the general observation that if it were true, that all of the activity were defensive registrations by brands, that would be not very
productive, and that’s why we’ve called out defensive registrations as a negative effect on the program.

I think Carlos has his hand up so I’m going to move onto him, and then I may – we probably won’t have time for more questions, but Lori, we will put them together in a written form to follow up on. Go ahead Carlos, you’ll be the last question and then we’re going to allow Jean-Baptiste to give us a couple of updates.

CARLOS GUIERREZ: Thank you very much, Jordyn. I just want to keep track, I thank you, Lori, for the comments. I think you explained it very well as well. I just want to make sure that we keep track of this discussion brands in a structured way within the review team. I know that we are out of the drafting period and so on, but I really want to have a discussion, and how much can we attribute to the expansion of the gTLD and how much is part of the brand portfolio strategy?

And then what’s the value of having 10 different brands of washing powder? That’s a marketing decision of the brand operators, and they came first. If they want to get 10 brands, well, they have to keep 10 different marketing strategies and 10 different TLD’s. I would like just to leave a placeholder open for a discussion there, and I thank you very much, Jordyn.

JORDYN BUCHANAN: Thanks, Carlos. Feel free to react. I will note that I’ve been told that Jean-Baptiste’s updates are quite short, so if anyone else has any other
questions we can probably entertain one or two more. Lori, feel free if you have any reaction to Carlos’ statement, I guess.

LORI SCHULMAN: Right, I guess my only thought is to the choice. Yes, you’re right. Why would brands make 10 different varieties of soap unless there’s a market for those 10 different varieties, and you can certainly extend that over to new gTLD’s. But I think we have to look, you know, factually, to what’s happening from a brand perspective. Are these new gTLD’s being implemented by brands in a marketing strategy? And generally, it looks like they’re not. So even though a brick and mortar company may be making 10 brands of soap, they may not think they need 10 domain names to do so.

I mean, every company has a different strategy on how they use their names. I mean, when I used to manage domain portfolios, those are some of the decisions that you make. Do you have one overarching home page with your umbrella brands, whatever that is, and all your sub-brands are underneath? Or do you decide your sub-brands are all going to have separate, unique identifying websites and webpages? I will tell you, and others who are practicing trademarks, and a little closer to it because I’m a little far removed from it in the last few years, is that, you know, the trend has always been, you want to keep your market as focused and as targeted as possible. And splitting up the market into, you know, many, many different websites and many, many different domains that have to be remembered by the consumers is not necessarily a good marketing tool.
And then for others, it might be, you know, if you’re running a promotion or a specific campaign, and it’s very important that campaign, so you’d have, you know, Lori’s soap dot campaign versus Lori’s soap dot com. Then that might make sense. So every decision’s going to be based on the marketing need, and where the difficulty is for trademark owners is, how do you anticipate that marketing need when you have hundreds of new gTLD laws launched with potentially millions of variations on your name, particularly if you have a very popular name, and I have managed highly recognized names. It becomes very frustrating and very expensive, very quickly. And you know, some of this is supported by the data, some of it may not. And again, that’s what our responsibility is, INTA, is to get honest data, and report it fairly and in the interests of our members and for you as the CCTRT to look at the data overall and figure out where all this fits in.

JORDYN BUCHANAN: Alright, thanks Lori. We do have time for one more question from David, who had his hand up, or not, if you don’t have a question anymore, David. David’s back, so go ahead David.

DAVID TAYLOR: Can you hear me?

JORDYN BUCHANAN: Yes.
DAVID TAYLOR: You can? Okay, good. No, I was just thinking that, just listening to the discussion as well, and I thought that one of the data points which we could maybe look at which we could get, is if you look at any brand that exists, or its super brand, and we carry out a search across all the TLD’s to see how many times the actual brand owner has registered it in the new gTLD’s, and how many times it’s been abused with some (inaudible) registering it, and how many times it hasn’t been registered, so it’s just open, will be interesting data just to see what that spread is, and whether a brand is accepting a level of abuse, or whether there’s very little abuse because it’s just been left blank and no one’s actually registering, or very few registrations are out there for that brand. And I was just thinking, there’s actually some objective data which we could probably get quite easily. So it’s just a thought, just listening to our discussion then.

JORDYN BUCHANAN: Thanks David. I think that’s right. I think analysis group already have that first set of data from the TMCH review that they did. And then separately, we obviously know the list of, for example, UDRP cases, and so we could intersect those and see if there’s a correlation between them or not. I’m not sure who would do that work, but it seems possible to do, at least. So that would, I guess, ask the question of, are defensive registrations worth it, right?

Alright, so assuming that’s an old hand from Laureen, I don’t see any other questions, so I’m going to go ahead and thank Lori for her participation today, and INTA for putting together the survey. And we’ll
go ahead and pass the baton to Jean-Baptiste to give us updates on the public comment period on the draft report. Thanks Lori.

JEAN-BAPTISTE DEROULEZ: Thank you, Jordyn. And thank you Lori as well, for the presentation. So moving onto the overview of public comments received. I’m afraid there is not so much update on that. We still have received just two comments that were not received this month. So I invite you to share again around the public comment page that I’ve just put in the chat. And just a reminder that in nine days will be the close date of the public comment period.

Moving on to the draft report, I just wanted to give you a quick update. You all have received on Monday, in your inbox, the Word version and process on draft report updates that was adopted on the plenary call last week. So both of these documents have been saved on the Wiki. I will update the link as well in the chat. So I invite you for any updates that you might have to always use the Word version that is saved on the Wiki. That will make sure that you have the most recent versions. Yes, Kaili, I see that you have a question?

KAILI KAN: Hi, it’s about other business. Last time we said that we’re going to talk about parking this time.
JORDYN BUCHANAN: Yes, Kaili, it’s Jordyn. Unfortunately, I didn’t update the parking paper in time to have people review it this week, and plus, we have the INTA survey, so we’ve pushed the parking topic one more week to next week.

KAILI KAN: Okay. But anyway, yesterday, well, about 10 days ago, I asked everybody about parking for China because we already did a review on the impact of parking on the America and Caribbean region. So, responding to that request, Stan did some calculation using available data on China and so I yesterday asked everybody in email about this, mostly about Stan’s calculation. So I just wondered if everybody has seen it, and if we can just look through it, those calculations by Stan was in a report of just similar for the LAC region. So that is just my request. Thank you.

JORDYN BUCHANAN: Thanks, Kaili. It’s a good reminder for everyone to take a look at the recent discussion on parking. We’ll make sure to include that, Stan’s updated calculations in the discussion next week. Alright, Jean-Baptiste, anything else from your side?

JEAN-BAPTISTE DEROULEZ: Yes, I just have a quick question. So on this version that was shared, you may have seen that there were footnotes that were redesigned, and I just wanted to know whether you had any questions on these and whether we could consider them as adapted.
JORDYN BUCHANAN: I think the stunning silence you’re hearing, Jean-Baptiste, is that people haven’t probably had a chance to look at the footnotes in particular, so I think we’ll just take this as a recommendation that everyone review that particular aspect of the new draft report before the next call.

JEAN-BAPTISTE DEROULEZ: Okay. Sounds good.

JORDYN BUCHANAN: Alright. We have about a minute left. Any other business, or we can wrap up a tiny, tiny bit early? Kaili and Waudo are both typing, so I’ll give them a few seconds to finish doing that. Alright. Kaili made a further note about parking, and Waudo apologizes for being stuck on the call. So we’ll go ahead and wrap up today’s call. Thanks everyone for your participation, and I look forward to another vigorous discussion of parking on next week’s call. Thanks again, Lori, and INTA for the discussion today. Bye everyone.

[END OF TRANSCRIPTION]