

# At-Large Trademark Clearinghouse and IDN Variants Workspace

Comment Close Date	Statement Name	Status	Assignee (s) and RALO(s)	Call for Comments	Call for Comments Close	Vote Announcement	Vote Open	Vote Reminder	Vote Close	Date of Submission	Staff Contact and Email	Statement Number
n/a	<a href="#">Trademark Clearinghouse and IDN Variants</a>	Approved 13Y, 0N, 0A	<ul style="list-style-type: none"><li>• <a href="#">Hong Xue</a> (APRA LO)</li><li>• <a href="#">Rinalia Abdul Rahim</a> (APRA LO)</li></ul>	23.04.2014	13.05.2013	14.05.2013	14.05.2013 19:00 UTC	20.05.2013	21.05.2013	22.05.2013	n/a	AL-ALAC-ST-0513-01-00-EN

## FINAL VERSION TO BE SUBMITTED IF RATIFIED

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## FINAL DRAFT VERSION TO BE VOTED UPON BY THE ALAC

Revised Version: May 9th, 2013

## **ALAC Advice to the ICANN Board on Trademark Clearinghouse and IDN Variants**

The At-Large Advisory Committee (ALAC) is deeply concerned by the implementation model outlined in the "Trademark Clearinghouse: Rights Protection Mechanism Requirements" published on April 6, 2013. We view the model to be deficient in that it overlooks the critical issue of Internationalized Domain Name (IDN) variants. If implemented, the model would clearly run against the public interest in the pertinent user communities.

We wish to highlight two areas of particular concern in the recently published Trademark Clearinghouse (TMCH) requirements: Domain name matching and bundling.

### **Domain Name Matching**

Since October 2011, language communities have requested that TMCH services factor IDN-script trademarks involving variants and that ICANN consider adopting community-based solutions to address this issue. Despite concerns raised by language community experts in the TMCH Implementation Assistance Group (IAG), the newly published domain name matching requirements of the TMCH still does not take into account trademarks in IDN scripts involving variants. Variant matching is critical in certain languages and particularly in Chinese. To illustrate, when a trademark holder registers a simplified Chinese word-mark and not its traditional equivalent, the TMCH will accordingly generate only one trademark record. The new generic Top Level Domain (gTLD) registries are obliged to offer sunrise services and trademark claims for trademarks recorded in the TMCH. Without variant matching requirements in place, only that registered simplified word-mark will be eligible for trademark protection. This leaves the traditional word-mark equivalent open for cybersquatting. Given that both simplified and traditional writings of the word-mark are deemed identical by Chinese communities worldwide (and by norm few trademarks are registered in both writings), ruling out the un-registered writing by not allowing variant matching would make the TMCH completely useless to Chinese trademarks, and would result in an unfair penalty against users of Chinese.

### **Domain Name Bundling**

The TMCH requirements grant absolute first rights to trademark holders, which would not only pre-empt certain business models, but also prevent registries from implementing "variant or bundling rules" and allocating domain names under such "variant or bundling rules" prior to the conclusion of the Sunrise Period.

### **Towards A More Open and Flexible TMCH Model**

Trademarks have the very important function of safeguarding the public interest by identifying the source of goods or services. A distorted TMCH design would cause serious public confusion and market chaos. Confusion over the source or origin of goods or services can be very harmful, particularly in the fields of banking, insurance and other high-security businesses. In principle, the At-Large community does not support over-extensive trademark protection measures. Nevertheless, we firmly believe that ICANN's Rights Protection Measures should treat the trademarks in any language or character set equally, the principle being that Internet users in any language community should be equally protected against confusion.

In September 2012, the ALAC statement on the TMCH called for a "more open and flexible model" that can address our community's concerns regarding the limitations of a uniform model, which would be applied to all gTLD registries irrespective of their differences and competencies. We believe that new gTLD registries require a more open and flexible TMCH model to be successful and we strongly urge ICANN to move away from a model that is inflexible and unfriendly to variants.

In light of the considerations above, the ALAC urges the ICANN Board to call for a more open and flexible TMCH model. Towards this end, we urge the Board to support a community-based, bottom-up solution for TMCH implementation and to ensure that the IDN variant issue is addressed before the TMCH begin providing services to the new gTLD registries.

We understand that addressing the IDN Variant issue in a holistic way requires the development of Label Generation Rules (LGR) for the Root Zone, which will create a framework for a more consistent management of variants across all levels. Experts and Staff have projected that this process will require a minimum of 12 months. We appreciate that the LGR development requires conscientious effort to maintain the security and stability of the Internet, but we are also mindful that the business and practical requirements of new gTLD applicants, especially from developing economies, call for urgent implementation.

To expedite the development of appropriate solutions, the ALAC recommends that the Board request from the ICANN Chief Executive Officer (CEO) an interim mechanism that can yield such solutions efficiently and on an urgent basis. We believe that ICANN already has all the necessary information to develop these solutions based on the IDN Tables and IDN Registration Rules and Policies that were required as part of the application submissions for new gTLDs offering IDN registrations. The development of the solutions may require additional Staff with the appropriate linguistic capabilities working in tandem with community members with relevant expertise. It may also require a consideration of expediting the LGR process for the Han script. We understand that in the general case, the handling of variants is a complex issue. However, for variant cases that are well defined and understood, such as the case of the Han script, ICANN should proceed on a fast-track basis to include variant support in the TMCH in time to accommodate the delegation of the appropriate Top Level Domains (TLDs).

### **Summary of Recommendations to the ICANN Board**

1. Call for a more open and flexible TMCH model that is variants-friendly and support a community-based, bottom-up solution for TMCH implementation.
2. Ensure the IDN variant issue is addressed before the TMCH begin providing services to the new gTLD registries.
3. Request from the ICANN CEO an interim mechanism that can yield appropriate solutions efficiently and on an urgent basis that may involve the following:
  - ICANN (staff) providing relevant expertise to the community to develop interim services in order to authenticate and verify that trademarks are compatible with variants. Such services should be interoperable with the TMCH so as to enable the timely launch of the IDN TLDs.
  - A consideration for expediting the LGR process for the Han script.
  - Longer-term recommendation: A review of the IDN Tables and IDN Registration Rules and Policies submitted by new gTLD applicants offering IDN registrations as a basis for developing a more comprehensive, longer-term solution.

## **FIRST DRAFT SUBMITTED**

The At-Large community is very disappointed at the implementation model outlined by "Trademark Clearinghouse: Rights Protection Mechanism Requirements" (hereafter "Requirements") published on April 6, 2013. Particularly, the model completely overlooks the critical issues of IDN variants with respect to Trademark clearinghouse (TMCH) and as a result would seriously impact the public interest in the pertinent user communities.

According to the Requirements, "matching domain name labels will be generated for each Trademark Record in accordance with the Trademark Clearinghouse's domain name matching rules". The matching rules at the TMCH obviously, however, fail to take into account the trademarks in IDN scripts involving variants, although the variant issues had been raised by the language community experts at the Implementation Assistant Group (IAG).

Variant matching is actually critical for certain language communities. Take Chinese for example, where a trademark holder merely registers a simplified word-mark but not its traditional equivalence, there will only be one trademark record generated in the TMCH. Since the new gTLD registries are obliged to offer sunrise services and trademark claims for the trademarks recorded in the TMCH, only that simplified word-mark will be eligible for sunrise registration and trademark claim services and leaves the traditional equivalence open for cybersquatting. Since both writings of the word-mark are deemed identical in the Chinese community and few trademarks are registered in both writings, ruling out the un-registered writing would make TMCH completely useless to Chinese trademarks.

What is even more striking is that the Requirements specifically prohibits any registry from implementing "variant or bundling rules" and allocating domain names "under such variant or bundling rules prior to the conclusion of the Sunrise Period." Such restriction actually excludes any solution for IDN trademarks involving variants to be accommodated in the sunrise period at the TLD level, even though a registry is willing fix the variants through its registration management and at its own costs.

Trademarks have very important function of safeguarding public interests by identifying the source of goods or services. The malfunctioned TMCH design would cause serious public confusion and market chaos. Although at-large community never supports over-extensive trademark measures, ICANN should treat all the trademarks equally, irrespective of the characters of the trademarks, and protect the users in all language communities from confusion equally.

The At-Large community has made the statement on the Trademark Clearinghouse (TMCH) in September 2012, in which at-large community concerns that the design of TMCH model that uniformly applies to all the gTLD registries, irrespective of their difference, may not provide the tailored services that are really needed by the new gTLD registries. At-large community suggested that "more open and flexible model deserves further exploration."

The Chinese Internet user community, dating back to October 2011, suggested that IDN-script trademarks involving variants should be taken into account in the TMCH services and ICANN consider adopting community-based solution to address this issue. Many other language communities shared the views of Chinese community.

Unfortunately, ICANN has been deaf to the user community's feedback and inputs and moves steadily toward the centralized, inflexible and variants-unfriendly TMCH. At-large community, therefore, strongly suggests that ICANN support community-based TLD-bottom-up solution for TMCH implementation and address the IDN variant issue before TMCH provides the services to the new gTLD registries.