

2019-03-10 ICANN64 Kobe - Review of all Rights Protection Mechanisms (RPMs) in all gTLDs PDP WG

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DATE: Sunday, 10 March 2019 / **TIME:** 15:15-18:30

ICANN64 Schedule link: <https://64.schedule.icann.org/>

Slides: [RPM PDP WG Session1-ICANN64-10Mar2019-FINAL.pdf](#)

AGENDA – Session 1 - Full Working Group Meeting (15:15-16:45)

1. Review Agenda/Updates to Statements of Interest (SOIs)
2. Introduction
3. Trademark Claims Sub Team Report
4. Sunrise Sub Team Report
5. Timeline/Next Steps
6. AOB

AGENDA – Session 2 - Sunrise Sub Team Meeting (17:00-18:30)

1. Review Agenda/Updates to Statements of Interest (SOIs)
2. Timeline
3. Begin Discussion and Development of Preliminary Recommendations
4. AOB

Actions & Notes – Session 1:

Actions: Staff will resend the Proposed Process for TMCH Sunrise & Trademark Claims Sub Teams and the timeline as a reminder.

Notes:

TM Claims Sub Team Presentation:

- Important to note that we can't say "registry operators want X" we are basing this on a very limited response rate to the Analysis Group surveys.
- There was a lot of data, but some that had very few responses.
- As we look at developing preliminary recommendations, we'll have to note the limited responses.
- Survey was meant to get outside of our circle – the WG has a lot of people involved in these issues; we have a lot of expertise in the WG too.
- One group that is not well-represented is potential registrants, which is why we reached out to them in the surveys.
- On Question 4: Middle column – previously collected data. What does it mean, "marks in the TMCH may not be the basis..." it is a summary of a summary – details provide more context. Ariel Liang: Re Susan's question about the previously collected data in response to Claims Q4 (b)(i), this is the text included in the summary table: (b)(i) The marks in the TMCH may not be the basis for an expansion of matches for the purpose of providing a broader range of Claims Notices. The reasons include the relatively few abused labels indicated in the Deloitte TMCH Report, as well as the doubled amount of domain names/labels derived from the trademark records.
- On the question of whether the notice deters potentially infringing/non-infringing the data doesn't really dictate, so we are back to policy. Data collection was not built into the new gTLD program, so hard to get the data.

Sunrise Sub Team Presentation:

-- This WG can't do anything about premium pricing – it is out of scope. ICANN made no pricing policies for new TLDs. Any authority to recommend policy with respect to pricing lies with the New gTLD Subsequent Procedures WG. Question: Is there liaising between the two WGs? Could we refer this question to them? Answer: If this WG were to put out a recommendation that ICANN should adopt some type of pricing limitation for marks in the clearinghouse and if that made it into our final report the SubPro would know that we put that out for comment. Our liaisons can coordinate.

-- On Question 3: Concerns from registry operators with the revelation of proprietary data.

-- On Question 5(b): On geos have sunrises – as we dive down should registries be able to choose a combination of rights protections.

-- On Question 5(b): Third column – potential abuses of sunrise – on question about whether TM should even be able to be recorded in the TMCH to game the sunrise period. The remedy does not lie in the change to sunrise, but in the TMCH.

-- On Question 5(b): First column – the data said TM owner's preference. These are slightly nuanced, so not quite the same as having the same sort of preference.

George Kirikos 2: <COMMENT>To followup on Kathy's point, it's important to note that we're developing policies for the next round of new gTLDs, and the most desirable extensions will have already been launched in the past round. Thus, the next round of TLDs will likely have more "niche" or "long tail" extensions, where a different decision calculus might apply.</COMMENT>

-- On Question 9: Doesn't seem correct to refer to "anecdotal" data, may not be applicable in all instances.

Timeline/Next Steps:

-- Preliminary recommendations will be based on data analysis among other inputs.

-- How do the preliminary recommendations take into account the individual proposals? Because Sub Teams are a fraction of the members in this case the individual proposals will be vetted by the Sub Teams.

-- Staff will resend the Proposed Process for TMCH Sunrise & Trademark Claims Sub Teams and the timeline as a reminder.

Actions & Notes – Sessions 2 & 3:

1. Continued WG Discussion:

-- Not allow additional comments in or additional proposals in after the sub teams because points could be reopened and re-litigated by these new proposals.

-- For the individual proposals the actual deadline is March 27. And the sub teams aren't going to have the completed development of preliminary recommendations until April 3 and those individual proposals aren't even going to be reviewed until April 10.

-- That is the individual proposals, not the sub team proposals (preliminary recommendations).

Not a subsequent bite at proposals. The timing problem was an interesting one because we did want the individual proposals to come through the sub teams before they disbanded. And they disband upon delivery of their recommendations up to the sub team.

-- Staff will resend the proposed process.

2. Sunrise Sub Team Meeting:

Question 7:

(a) Can SMD files be used for Sunrise Period registrations after they have been canceled or revoked?

(b) How prevalent is this as a problem?

Tentative Preliminary Recommendation: *Suggestion is that the answer is "no". The SMD file cannot be used for Sunrise Period registrations after being canceled or revoked and this problem is not prevalent.*

Discussion:

-- Start with Question 7.

-- The first part of this question, Part A, is yes based on what we've seen because the onus is on the trademark holder to inform the Trademark Clearinghouse of the revocation or the cancellation then we can reasonably conclude that SMD files can be used for Sunrise periods even though they shouldn't.

-- How prevalent is this as a problem? Don't have much data.

-- Question is about what happens if a trademark is abandoned and how do we ensure that the brand owner (former brand owner) isn't misusing the SMD file?

-- Concern that SMD files could be canceled, revoked but trademark owners could try to use them.

- Don't think we can say that the problem is prevalent.
- Note that it's bifurcated – both about the SMD file and the trademark.
- There's already a solution to this problem.
- Is the country and trademark registration part of the SMD file? There's an FAQ on the TMCH web page that the first five lines are human readable. Other than the mark the SMD file does not contain human readable information about the file.
- So to question 7 it's whether an SMD file can be used to register in Sunrise after the SMD file has been canceled or revoked.
- Second question is about the trademark – if the trademark underlying an SMD file is abandoned can the SMD file be used to do a Sunrise registration filing? We looked and when the trademark dies the SMD file dies.
- The second part of the question is whether this is a prevalent problem and we're hearing no. So, our answer to the question should be no.

Question 1:

- (a) Should the availability of Sunrise registrations only for identical matches be reviewed?
- (b) If the matching process is expanded, how can Registrant free expression and fair use rights be protected and balanced against trademark rights?

Tentative Preliminary Recommendation: *Suggestion is that the answer is “no”. The availability of Sunrise registrations only for identical matches should not be reviewed and the matching process should not be expanded.*

Discussion:

- Based on the data the answer to (a) would be no and thus (b) does not require an answer.
- We need to answer the charter question, which - and I think the answer to the question is no, we should not be reviewing the availability of Sunrise registrations only for identical matches, which means there's no - we don't need to answer Question B and that there - and that there's no preliminary recommendation that comes out of this question. So I think that is the end result of this.
- But good to make a recommendation, even if it is not to change the status quo.

Session 3 – 11 March 2019

Question 2:

(Threshold question: Is Registry pricing within the scope of the RPM WG or ICANN's review?)

- (a) Does Registry Sunrise or Premium Name pricing practices unfairly limit the ability of trademark owners to participate during Sunrise?
- (b) If so, how extensive is this problem?

Tentative Preliminary Recommendation: *Not at this time. Continue the discussion at the next meeting and also in relation to question 3.*

Discussion:

- Data speaks to this.
- Possible answer: Registry pricing may not specifically be in the scope, but we could address it to put it before the SubPro WG. Based on the data there is evidence that pricing practice do unfairly limit the ability of trademark owners to participate during Sunrise.
- Key part of sub question (a) is the word “unfairly” – is it a fair economic model. Need to distinguish between premium pricing that could be legitimate. There were limited responses so not a representative sample.
- The key thing is whether the pricing is discriminatory against brand owners compared to other categories. Address abusive pricing models.
- Pricing is outside the scope of the RPM WG (per at least one Sub Team member).
- Not sure if the use of the term “discriminatory” is quite accurate. Challenging to define “unfairly” because that suggests that there is “fair” pricing.
- Instances where high prices were put on well-known brands. Maybe discussing targeted pricing that is aimed not a high-value generics, but to those with brand value.
- Pricing per se is outside of scope, but it's about where pricing was fixed in a way to circumvent the rights protection mechanism – such as adopting very high prices only during the Sunrise period. There were some examples of that.
- There were examples of clients who were told that their name was a well-known brand so the price was higher as the name was on the premium list.
- On discrimination it is worth noting that is you have well-known brands they can afford to pay more. If you talk about unfairly limiting Sunrise, the question is does it preclude participation.
- Pricing is always going to impact levels of participation.

- From the registry operators' point of view it is expected that people would try this – pricing almost becomes a negotiation.
- Economic decision to put it into Sunrise depending on the pricing. There are other RPMs to deal with abuses.
- Examples: 1) pricing at different levels depending on the brand, 2) all pricing is high in Sunrise, or 3) pricing drops for certain names outside of Sunrise.
- Suggesting that a brand can afford so why not charge it seems abusive. Does seem to interfere with Sunrise.
- To what extent does this happen? Is there really a problem? Not sure if the data backs this up.
- We can agree that registries should be able to use pricing to circumvent RPMs. There are contractual restrictions on abusive pricing – pricing uniformity. We could refer this to SubPro.
- What should we recommend? Pricing caps for different brands/value of words? How to determine the value? Could be very complex and impractical. Or could just suggest a more high-level recommendation.
- Re: Spec 11, Section 2.10(c) of the RA states “The parties acknowledge that the purpose of this Section 2.10(c) is to prohibit abusive and/or discriminatory Renewal Pricing practices imposed by Registry Operator without the written consent of the applicable registrant at the time of the initial registration of the domain and this Section 2.10(c) will be interpreted broadly to prohibit such practices.” From the PIC: “Registry Operator will operate the TLD in a transparent manner consistent with general principles of openness and non-discrimination by establishing, publishing and adhering to clear registration policies.”
- Note that Questions 2 and 3 are related.
- Sunrise if for Trademarks – not competing with other identifiers in this period. So, we could be singling out certain marks, and the other is the pricing practices.
- Data in INTA and AG surveys – responses from TM and Brand owners indicated that they thought the problem was extensive.
- Not sure we are able to answer the question – not sure we have the data to answer “yes” in a helpful way except that it has the ability to limit TM owners from participating in Sunrise – but is this “unfairly” limiting?
- If we look to the preamble question – whether Sunrise is achieving its purpose – and this question in that context.