

## RECONSIDERATION REVIEW REQUEST

The GNSO Noncommercial Users Stakeholders Group (NCSG) respectfully submits to the Board Governance Committee (BGC), per Article IV, Section 2.3 of the Bylaws of the Internet Corporation of Assigned Names and Numbers (ICANN), this Request for Reconsideration of certain staff action dated 20 March 2013. Submittal today is in accordance with rules and regulations established by ICANN under Article IV, section 2.6 of the aforementioned Bylaws.

This Request consists of the following elements, specified on the website of the Board Governance Committee (BGC), in effect on the date of staff action:

### **I. Requester Information:**

Ms. Robin Gross, Chair  
Noncommercial Users Stakeholder Group  
IP Justice

REDACTED

A large black rectangular redaction box covers the contact information, including the requester's name, address, phone number, and email address.

### **II. Request for Reconsideration of:**

Staff action of 20 March 2013 titled ‘Trademark Claims Protection for Previously Abused Names’.

### **III. Manner by which Requester will be affected by the Action:**

The Noncommercial Users Stakeholders Group (NCSG) is the home of civil society and individual noncommercial users within ICANN. Consisting of over 300 members, both individuals and noncommercial institutions, from over seventy countries the NCSG is the most international and diverse component of the ICANN governance structure.

The proposed extension of the trademark protection in question, which is greater than that which is or has been available to mark holders in any known jurisdiction worldwide, would cause our members severe harm. The NCSG respectfully requests that the Board nullify the procedurally incorrect staff action in question and return to the policy outlined in the Applicant Guidebook, which was properly developed through a balanced multiyear inclusive bottom-up consensus-based policy process.

The specific staff developed policy to which we object extends trademark-like privileges to up to 50 derivations of existing trademarks that have been found to be abusive in other contexts in UDRP or national court proceedings. This new policy greatly expands the rights of trademark holders through the creation of new rights that do not exist in traditional national jurisprudence.

The “Trademark +50” nomenclature attached to this new policy is actually a misnomer. This staff developed policy allows mark holders to place up to 50 derivatives of a registered mark into the Trademark Clearinghouse (TMCH) for EACH separate registration of a single trademark. This is an unprecedented expansion of the scope of trademark privileges.

For example, Apple Inc. has 28 active trademark registrations through the Madrid System for the trademarked term “Apple”. For each of these national registrations Apple will be allowed to place 50 derivations of this mark, that encompasses 1400 derivations of the single trademark ‘Apple’, into the TMCH. In reality, this staff developed policy could be more accurately labeled ‘Trademark + *n*’ as the road to infinity is tempered only by the number of potential jurisdictions offering applicants registered trademark protection.

The staff developed definition of an abusive registration is also problematic and flouts the careful balances of trademark law jurisprudence. Just because a party is judged to have infringed a trademark in one context does not mean that all subsequent uses of that indicator by other parties in different situations would also be infringing. Subsequent registrants may have legitimate non-infringing uses planned for a domain name that corresponds exactly to a word that was subject to a previous infringement action. Staff’s policy presumes that just because at one point, Microsoft’s trademark was infringed, that every subsequent use of that trademark by every subsequent person is also an infringement. But that policy contradicts real trademark law, which recognizes that context and parties are absolutely relevant to whether one has a lawful right to use a trademark. Staff’s policy simply does not allow for differentiations in context such as geography, product class, fair use or parody. This significant departure from the balance struck between trademark holders and noncommercial users of words in domain names will be particularly injurious to noncommercial users.

This massive expansion of trademark holder’s rights will have a particularly chilling and pre-emptive effect on noncommercial speech. Prospective registrants will be faced with new legal risks should they dare to attempt to register a domain name that may trigger a TMCH claims notice, despite their intended use of the domain being perfectly legal and non-infringing. Noncommercial users are often fiscally challenged without the financial resources to retain legal counsel or, in many cases, to even engage specialist counsel to determine whether their proposed name is infringing or lawful fair use. Many noncommercial users will simply abandon their registration upon receipt of a TMCH. This unilateral staff policy decision to greatly expand marks holders

rights will raise the real cost of registering a domain name to unacceptable levels for many noncommercial users.

Of particular concern is the effect of receipt of a claims notice on the rights and responsibilities of prospective registrants under many national laws. The *mens rea* element of many national intellectual property statutes (for example, 18 USC§ 2320 (criminal) and 15 USC §1125 (d) (1) (B) (VIII) (civil) in the United States of America) will be triggered by a TMCH claims notice. An applicant may have a good faith belief that their potential registration is fair use of a word, but the potential legal liability created by the imputation of knowledge of infringement by the TMCH claims notice, should their good faith belief be proven wrong, will cause many noncommercial applicants to forgo certain domain name registrations for fear of potential criminal or enhanced civil liability triggered by the claims notice alone.

This staff developed policy for which we request reconsideration will have a particularly deleterious effect on the often resource challenged noncommercial user. It unfairly favor trademark holders at the expense of other legitimate interests. Staff's plan will limit the exercise of noncommercial speech and will inhibit the participation of noncommercial users in current and future gTLD programs. We ask that the Board revert to the TMCH trademark protection provisions that of 'exact match', developed by community consensus process and contained in the Applicant Guidebook and upon which applicants' relied when they applied.

#### **IV. Extent to which Staff Action Adversely Affects Others:**

Small commercial users will face many of the same challenges as noncommercial users and will be adversely affected, as above.

The cost of compliance for Registry operators will be increased by this staff developed policy. More domain names will be subject to sunrise challenges and the number of names available for sale will be reduced. Both registries and registrars will also be harmed as potential registrant customers will be wrongfully frightened away from completing their lawful registrations after having received the TMCH infringement notice. Countless lawful domain name registrations will be abandoned upon receipt of the TMCH claims notice.

Applicants with plans and / or business models based upon the community developed trademark protection model contained in the Applicant Guidebook will be adversely affected by this staff developed policy, insofar as their plans have the potential for triggering a TMCH claims notice under this new policy or would require them to seek legal counsel or otherwise re-evaluate their plans going forward. TLD applicants relied upon the policy provided by ICANN in the Applicant Guidebook and now face increased costs and risks as a result of staff's ex post facto policy deviation decision.

Volunteers whose participation in ICANN is based upon their belief in the bottom-up consensus based multistakeholder model will have their belief in ICANN's adherence to this model adversely impacted should this hierarchical top down staff driven policy be allowed to stand.

**V. Is Temporary Stay Requested? If so, harm that will result if staff action is not stayed:**

Provided the Board adheres to the reconsideration timeline, contained in the ICANN Bylaws and posted on the BGC website, there should be no need for a temporary stay in this matter.

It is important that the original scope of trademark protection developed by community consensus, and contained in the Applicant Guidebook, be fully reinstated prior to any TLD subject to the rules in contention going 'live'.

No TLD should be subject to this staff developed policy expanding the scope of trademark protection and in contradiction to GNSO-developed policy. Should it appear that due to delay normal Board action on this Reconsideration Review Request will not occur prior to a TLD going live a temporary stay might be needed to protect the interest of registrants.

It should be noted that what is at issue is not the launch of the new gTLD program. Rather in question is which set of rules will be applied at launch: the community based consensus driven 'exact match' rules contained in the Applicant Guidebook or the top down staff developed 'trademark +50' approach ICANN staff is attempting to impose upon the community.

**VI. Explanation of staff action and why the action is inconsistent with established ICANN policies:**

On September 19, 2012, in a letter to Senator Pat Leahy and three other member of the United States Congress, ICANN President and Chief Executive Officer Fadi Chehade stated:

“It is important to note that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or creator of new rights. Extending the protections offered through the Trademark Clearinghouse to any form of name (such as the mark + generic term suggested in your letter) would potentially expand rights beyond those granted under trademark law and put the Clearinghouse in the role of making determinations as to the scope of particular rights. The principle that rights protections ‘should protect the existing rights of trademark owners, but neither expand those rights nor create additional legal rights by trademark law’ was key to the work of the Implementation Recommendation Team, a group of

experts in the ICANN community who initiated intense work to recommend rights protection mechanisms in the new gTLDs”.

Less than six months after this letter ICANN staff created its ‘Trademark Claims Protection for Previously Abused Names’ policy which causes the Trademark Clearinghouse to act precisely in the way Mr. Chohade claimed it would and should not. Should this staff developed policy be allowed to proceed, ICANN will be in the position of creating unprecedented new rights protections in a manner Fadi Chohade assured the United States Congress it would not. ICANN policy, it was then claimed, simply would not allow for the creation of new legal rights expanding the scope of trademark law in the context of the Trademark Clearinghouse.

One thing needs to be made abundantly clear: the issue at hand is one of policy and not one of implementation. This is something that is and has been acknowledged in some form by all involved parties:

1. ICANN staff issued a document on 29 November 2012 (updated on 3 December 2012) entitled ‘Trademark Clearinghouse: Strawman Solution’ which states “The inclusion of strings previously found to have been abusively registered in the Clearinghouse for purpose of Trademark Claims can be considered a **policy** matter... Given the previous intense discussions on the scope of protections associated with a Clearinghouse record, involving the IRT/STI, we believe this needs guidance from the GNSO Council.”
2. In a posting on his blog dated November 26, 2012 ICANN President and Chief Executive Officer Fadi Chohade wrote, “the inclusion of strings previously found to be abusively registered in the Clearinghouse for purposes of Trademark Claims can be considered a **policy** matter.”
3. In an e-mail to GNSO Chair Jonathan Robinson ICANN President and CEO Fadi Chohade asked for “**policy** guidance” on the portion of the Strawman Model pertaining to “the scope of trademark claims.”
4. In his February 29, 2013 response to Mr. Chohade, GNSO Chair Robinson wrote regarding the expansion of trademark scope that “the majority of the council feels that is proposal is best addressed as a **policy** concern, where the interest of all stakeholders can be considered.”

As the expansion of trademark scope in the TMCH is a matter of policy Mr. Chohade and staff were correct in asking for guidance from the GNSO Council. That guidance, contained in the aforementioned letter from Mr. Robinson to Mr. Chohade, stated that “the majority of the Council believes this suggestion deserves further examination, not only to protect the interests of rights holders, but also to ensure latitude for free speech through lawful and non-abusive registrations.”

In the ICANN model policy in the generic name space is developed by the GNSO through Policy Development Processes (PDP) or Policy Guidance Working Groups (PGWG). It is not created, as in this instance, by mere declaration of ICANN staff. ICANN's legitimacy depends upon it acting in accordance with its claim that it is a community-led bottom-up consensus based forum for global policy development. Without the consent of the governed, ICANN lacks democratic legitimacy.

The Board, of course, does not have to accept the recommendations of the GNSO Council. ICANN Bylaws (Annex A, section 9, subsections b, c and d) allow the Board to disregard GNSO Council recommendations when it determines it is in the best interests of the "ICANN community or ICANN (the Corporation)" (ICANN Bylaws, Annex A, section 9, subsection b) to do so. The Board must, however, follow a specified procedure if it wishes to disregard the recommendations of the GNSO Council. Specifically, it must submit a statement to the GNSO Council (Annex A, section 9 (b)), hold discussions between the Board and the Council (Annex A, section 9 (c)), allow the GNSO Council to develop a Supplemental Recommendation (Annex A, section 9 (d)) which the Board can review and then act accordingly in the best interest of ICANN, community and Corporation.

In this instance neither the staff nor the Board followed this mandatory procedure contained in ICANN's bylaws. Rather, ICANN staff acknowledged GNSO input and then proceeded to ignore it, acting unilaterally and following no known established ICANN policy or procedure.

In its March 20, 2013 'Memorandum on the Trademark Clearinghouse 'Strawman Solution' announcing the decision to include 'Trademark +50' in the TMCH, ICANN staff acknowledged that "The GNSO advised that this should be a policy discussion rather than an implementation change. The GNSO Council communication also made reference to the stated principle that the Trademark Clearinghouse is intended to be a repository for existing legal rights, and not an adjudicator of such rights or a creator of new rights."

Staff then improperly ignored the acknowledged GNSO recommendation, stating, "this proposal appears to be a reasonable add on to an existing service, rather than a proposed new service". This is a policy determination by ICANN staff that is in direct opposition to the GNSO recommendation. ICANN staff gave absolutely no rationale for its action in the matter nor for its reasoning in ignoring the GNSO recommendation.

This entire mishandled process directly contravenes section 7 of the Affirmation of Commitments By The United States Department of Commerce And The Internet Corporation For Assigned Names And Numbers which requires ICANN to adhere to "cross community deliberations, and responsive consultation procedures that provide detailed explanations of the basis of decisions, including how comments have influenced the development of policy consideration(s)." Cross community

deliberations, as represented by the GNSO, have been ignored and no substantive explanation of the policy created unilaterally by staff has been proffered.

The ‘exact match’ standard for the TMCH contained in the Applicant Guidebook was the result of years of painstaking negotiation and compromise achieved through the bottom-up multi-stakeholder consensus driven process that gives ICANN its legitimacy. Both the IRT and STI carefully considered the issue of exact matches versus the inclusion of additional derivatives in the TMCH and both opted for the exact match standard. This was accepted by the entire community and is included in the Applicant Guidebook.

We now have staff developed policy that upsets the balance struck within the community in establishing the TMCH. This unilateral staff developed policy was created in a manner that violates both the ICANN Bylaws and the Affirmation of Commitments. It is bad policy created in an illegitimate manner and should be set aside by this Board.

**VII. Specific action ICANN is requested to take and the grounds for such action:**

ICANN is respectfully requested to revert back to the ‘exact match’ trademark protection policy contained in the Applicant Guidebook upon which applicants relied when they filed their applications.

Unlike the staff developed ‘trademark +50’ approach, the multistakeholder developed ‘exact match’ policy is in complete adherence with ICANN’s policy development processes and creates a Trademark Clearinghouse that reflects consensus achieved through years of negotiation and compromise within the ICANN community.

Submitted this 19<sup>th</sup> day of April 2013

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Robin Gross  
Chair  
Noncommercial Stakeholders Group