

Maarten Botterman
Chair, Board of Directors, ICANN
via e-mail
1 November 2021

Re: Review of All Rights Protection Mechanisms Policy Development Process

Dear Mr. Botterman,

Your letter of August 5, 2021 eloquently describes how the GNSO process is *supposed* to work. Your letter, though, missed the import of the June 1 letter from intellectual property scholars, which described two critical aspects of the Trademark Clearinghouse that did *not* arise from the multistakeholder process but from ICANN staff. To make these changes to the Clearinghouse—the inclusion of design marks and keeping the database secret—ICANN staff bypassed the multistakeholder process and took policymaking into their own hands. The result was a flawed system that is inconsistent with the trademark laws of most countries. It also sets a disturbing precedent of ICANN staff and their contractors engaging in substantive policymaking—a precedent that threatens ICANN’s standing as an accountable steward of the domain name system.

Your letter speaks of how the multistakeholder process is supposed to work, and we agree. In order to safeguard and uphold that process, we respond here to explain how ICANN staff subverted it. It is the Board’s responsibility to look more closely and fix a problem that undermines the foundation of ICANN.

A. Your letter misconstrues the history of the Rights Protection Mechanisms.

Your statement that “the RPMs within the scope of the Review of All RPMs Final Report were not delivered through the GNSO PDP and therefore do not constitute Consensus Policies” misses the mark. Even though the RPMs were not formally designated Consensus Policies, they are products of the multistakeholder process.

The RPMs are derived from recommendations written by a group that was organized and led by the Intellectual Property Constituency, working in secret. Those recommendations were presented to the Community at ICANN35 in Sydney, and received broad objections, including a joint resolution in the Public Forum by ALAC and NCSG opposing the recommendations.

If indeed, “the GNSO is the policy making body ‘responsible for developing and recommending to the Board substantive policies relating to generic top-level domains,’” as you wrote, then a policymaking process existed and the Community followed it. At the behest of the ICANN Board to the GNSO Council in 2009, a review team specially appointed by the GNSO Council was called to meet on an expedited basis to review the staff-created model for rights protection measures in new gTLDs.

This review team is documented on ICANN’s website:

On 12 October 2009, the ICANN Board sent a letter to the GNSO requesting its review of the policy implications of certain trademark protection mechanisms proposed for the New gTLD Program, as described in the Draft Applicant Guidebook, at the time, and accompanying memoranda. *Specifically, the Board Letter requested that the GNSO provide input on whether it approves the proposed staff model, or, in the alternative, the GNSO could propose an alternative that is equivalent or more effective and implementable.*

In response, the GNSO adopted a resolution and created the Special Trademarks Issues review team (STI) on 28 October 2009 which included representatives from each Stakeholder Group, At-Large, Nominating Committee Appointees, and the GAC, to analyze the specific rights protection mechanisms that had been proposed for inclusion into the Draft Applicant Guidebook.

“Special Trademark Issues,” <https://gns0.icann.org/en/group-activities/inactive/2010/sti>

The Special Trademark Issues review team was the “EPDP” of its day, specially appointed and specially balanced, engaged in a GNSO-mandated review of the “proposed staff model” on an expedited timeframe. The STI roundly rejected “the proposed staff model” in favor of an alternative which the GNSO Council under Chair Chuck Gomes warmly adopted in December 2009:

NOW THEREFORE, BE IT RESOLVED, that the GNSO appreciates the hard work and tremendous effort shown by each member of the STI review team in developing the STI alternative proposal on an expedited basis;

Resolved, that the GNSO Council hereby approves the overall package of recommendations contained in the STI Report, and resolves that the STI proposal to create a Trademark Clearinghouse and a Uniform Rapid Suspension procedure as described in the STI Report are more effective and implementable solutions than the corresponding staff implementation models that were described in memoranda accompanying the Draft Applicant Guidebook Version 3.

Motion To Approve Tool Kit of Services Recommendations for GNSO Constituencies and Stakeholder Groups (4 December 2009), <https://gns0.icann.org/en/council/resolutions/1999-2019#200912>.

ICANN Staff and special interests were not happy with the Community-agreed proposal and sought to change it. Staff did so through the implementation process – a process run by ICANN Staff *which is expressly barred from violating the agreements of the Community*. While working with ICANN Staff on the implementation, the Trademark Clearinghouse contractor Deloitte made significant changes to the openness of the Trademark Clearinghouse and the narrow scope that the GNSO Council and Community adopted for its registered trademark entries.

These actions, which were set out in a letter submitted by some of the undersigned in May of this year as part of the RPM WG comment process, show ICANN staff bypassing Community agreement and GNSO Council recommendations (below). That letter lays out the steps taken by

Staff to erode and undermine “the overall package of recommendations contained in the STI Report” and to overrule key GNSO Council agreements “to create a Trademark Clearinghouse and a Uniform Rapid Suspension procedure as described in the STI Report.” <https://gns0.icann.org/en/council/resolutions/1999-2019#200912>.

Specifically,

- “The GNSO Council and the ICANN Board approved rules for the New gTLDs and directed that only word marks (not design marks) be accepted into the Clearinghouse;
- The vast majority of countries with trademark registries have established different laws and rules for word marks and for design or composite marks; the trademark applicant makes their choice and lives by it;
- The vast majority of registrants to the Clearinghouse come from countries that differentiate between word marks and design or composite marks;
- Several countries with trademark registries do not separate word marks and design marks;
- *When Deloitte raised the problem with ICANN staff, the staff, without consultation with trademark scholars or the broader community, directed Deloitte to accept all design and composite marks from all jurisdictions and extract the words—creating a system that violates GNSO agreements (accepted by the GNSO Council and ICANN Board) and fundamental principles of trademark law.*

Thus, through Staff action, key provisions of the STI-made and GNSO-approved recommendations were negated and set aside during the implementation phase.

B. Secrecy of the Trademark Clearinghouse Created by the “Implementation Review Team”

The Rights Protection Mechanisms Working Group also discovered that “Deloitte keeps all registrations in the Trademark Clearinghouse secret, contravening the fundamental principle that ICANN should operate with transparency and accountability.”

The May letter notes:

The GNSO team evaluating rules for the Clearinghouse adopted by the GNSO Council and the Board made no rule or recommendation about locking down the Trademark Clearinghouse to make it closed or secret. Transparency and accountability are, after all, the bywords of ICANN.

Like Deloitte’s approach to design marks, the secrecy of the Clearinghouse arose during “implementation” and under the oversight and direction of ICANN staff. What ICANN staff created, they can reverse, to the benefit of all.

As some of the undersigned noted in the May letter, “trademark registrations are open and public records, available to all who seek to avoid consumer confusion. They are not trade secrets;

they are matters of public record. An open and public Clearinghouse is the best way for good-faith future registrants to find and steer away from domain names that are likely to cause confusion with existing trademarks in the Clearinghouse.”

But some wanted the records to be secret, and in implementation, ICANN Staff allowed a few individuals to change the Community agreement.

C. Staff-Created Policy is the end of the Multistakeholder Model.

The GNSO Council asked the Community to review the Staff policy; Staff clearly did not like or agree with the Community decision. But as you pointed out in your letter, it is the job of the GNSO to decide policy, not the Board or the Staff.

We urge you not to repeat the position that Staff has often stated in the RPM WG – that the rules which the STI review team and the RPM Working Group and even the Subsequent Procedures Working group are “not policy” because they were not created for all gTLDs.

This is a shocking conclusion for all who gave their time and dedication to the STI Review Team convened by the GNSO Council and to the RPM Working Group and Subsequent Procedures Working Group. None of these groups create policies that apply to all gTLDs, just to new gTLDs and other registries who choose to abide by them. They are not “Consensus Policy” as ICANN defines that term, but they are policy. Surely all of this GNSO work has not been done to create mere suggestions for ICANN Staff to follow or disregard as they choose. That would be the end of our multistakeholder process.

What you appear to be suggesting is that ICANN staff and implementation review teams are unaccountable. This opens the door for the multistakeholder model to become irrelevant. ICANN Staff will take over more and more power and decision-making. Volunteers will become demoralized and stop giving of their time. Community policymaking will not survive if the decisions it reaches can be put aside at will by unaccountable staff, implementors, and outside contractors.

D. What We Recommend to Stop this Erosion of Community Trust

We take the time to write back to you, and to the ICANN Board, for fear that the implementation review team for the upcoming rounds of new gTLDs will be unaccountable and unbounded. It is the wrong starting point for the long implementation process ahead, and an unfair one. As our prior letter said: “It is very difficult for the GNSO Community to solve a problem not created by the GNSO community.”

Therefore, we ask that the ICANN Chair and Board make further inquiries of ICANN Staff and ICANN Legal. There is too much at stake if ICANN Staff is allowed to make policy at ICANN and to erase GNSO Council recommendations for new gTLDs.

Because the RPM Working Group was given the wrong starting point – not the GNSO Council recommendations of 2009, but the Staff-created policy of later – we ask that the ICANN Board recommend to the GNSO Council to send a) the issue of Trademark Clearinghouse secrecy, and b) the criteria for accepting entries in the Clearinghouse, to “Phase 2” of the RPM WG process. Although Phase 2 will focus on a review of UDRP, the participants will understand the balance of trademark, fair use, and free expression issues that the GNSO Council recommendations of 2009 seek.

Alternatively, the ICANN Board can work with the GNSO Council to find a special way to convene a balanced group of scholars and attorneys to look narrowly at these two issues.

The issues we raise here have ramifications far beyond the specific trademark issues at stake here. As we create a new implementation team for gTLDs, and approach the creation of another GNSO policy development process working group for rights protection mechanisms review, the question of whether anything approved by the GNSO Council and Community is final is a key one. Can ICANN Staff help us stay with our agreements? Can we still trust the implementation process to stick to the recommendations of the Community? Or will we continue to erode trust in ICANN’s Multistakeholder Model?

In conclusion, we are deeply concerned that your letter could be seen as endorsing the ability of ICANN Staff to make consequential policy decisions by fiat, ignoring the multistakeholder community while using the mere existence of the community process as a fig leaf. In particular, we fear that an endorsement of consequential and dangerous decisions made in the “implementation phase” of GNSO policymaking under ICANN Staff’s oversight will send a message that multistakeholder policy development is a sham and not worth the time and energy of the many volunteers who make it work. We urge you to correct this failure by recommending that the GNSO Council consider these actions by ICANN staff in Phase 2 of its review.

Sincerely,

Mitch Stoltz, Electronic Frontier Foundation

Rebecca Tushnet, Harvard Law School

Michael Karanicolas, UCLA School of Law

Comment to ICANN on RPM WG Final Report from the Electronic Frontier Foundation and Intellectual Property Scholars and Attorneys (May 21, 2021)

The undersigned intellectual property scholars and attorneys write in response to the Final Report of Phase 1 of the Review of All Rights Protections Mechanisms Policy Development Process Working Group (RPM WG).

In the course of the Working Group’s review, members and later the Community were dismayed to learn that Deloitte, the administrator of ICANN’s Trademark Clearinghouse, was violating a fundamental rule created by the GNSO, adopted by the GNSO Council, and accepted by you, the ICANN Board. Even though the Trademark Clearinghouse is supposed to contain only word marks, Deloitte extracts words out of design and composite marks and includes them in the Clearinghouse, effectively granting protections to words that are deliberately not protected by most countries’ trademark laws. With a design or composite mark, one asserts rights in a *combination* of words or letters and graphic elements. Such marks are protected as a unified whole, *not* a collection of independently protected elements. If a brand holder seeks protection of the word standing alone, they must seek a word mark (also known as a text mark). Deloitte’s practice effectively collapses design and composite marks into word marks. Design mark registrations submitted to the Clearinghouse will inevitably include words that have been disclaimed for protection during the trademark application process under national laws, because of laws that exclude generic or merely descriptive terms from protection.

We believe this is exactly what has happened. The Working Group found that 7 of the top 10 words that were most frequently the basis for Clearinghouse Trademark Notices (triggered by matches with the database, and intended to dissuade people from registering domain names in new gTLDs) are common dictionary words: smart, hotel, one, love, cloud, ABC, and luxury. These seven words are dictionary terms with unlimited legal uses, both commercial and noncommercial. We suspect these words were among those extracted by Deloitte from design and composite marks.

We know the ASCII and Unicode character sets that make up domain names have no design elements, which is why the diverse and balanced team that the GNSO Council specially appointed to review the proposal to create the Trademark Clearinghouse stated clearly that the Trademark Clearinghouse should include only registered text marks and should exclude all design marks:

“The TC [Trademark Clearinghouse] Database should be required to include nationally or multinationally registered “text mark” trademarks, from all jurisdictions, (including countries where there is no substantive review). (The trademarks to be included in the TC are text marks because “design marks” provide protection for letters and words only within the context of their design or logo and the STI was under a mandate not to expand existing trademark rights.)”¹

¹ https://gnso.icann.org/sites/default/files/filefield_8000/sti-wt-recommendations-11dec09-en.pdf

We ask the ICANN Board to direct ICANN staff to stop Deloitte’s practice of extracting words and letters from design and composite marks.

What the research of the RPM WG revealed in the last four years is:

- The GNSO Council and the ICANN Board approved rules for the New gTLDs and directed acceptance of only word marks in the Clearinghouse (not design marks);
- The vast majority of countries with trademark registries have established different laws and rules for word marks and for design or composite marks; the trademark applicant makes their choice and lives by it;
- The vast majority of registrants to the Clearinghouse come from countries that differentiate between word marks and design or composite marks;
- Several countries with trademark registries do not separate word marks and design marks;
- When Deloitte raised the problem with ICANN staff, ICANN staff, without consultation with trademark scholars or the broader community, directed Deloitte to accept *all* design and composite marks from all jurisdictions and extract the words—creating a system that violates GNSO agreements (accepted by the GNSO Council and ICANN Board) and fundamental principles of trademark law.

We note that the RPM WG Final Report, pages 135-137, includes the carefully crafted questionnaire of Professor Rebecca Tushnet of Harvard Law School, an international trademark scholar, and was sent by the RPM WG to Deloitte. Deloitte confirmed to the RPM WG that it would extract each and every word and letter from the broad set of examples Professor Tushnet provided, including the basic word “parents” and even the letter “A”, and include them in the Clearinghouse.

This practice came about because of actions taken by ICANN staff, and staff are in the best position to remedy it. As members of the ICANN Board, we ask you to direct the staff to revisit this issue, and revise their rules to narrowly address the limited problem of countries that don’t distinguish design and text marks. As trademark scholars and attorneys, we would be happy to help ICANN staff and Deloitte come up with a set of rules consistent with international trademark law and its balances and protections for free expression for those rare situations where a rightsholder requests Clearinghouse protection for a mark registered in a jurisdiction that does not distinguish word marks from design marks.

We further note that while the RPM WG devoted time to this issue, with ideas drafted by members across the Community, it could not find a single path forward. It is very difficult for the GNSO Community to solve a problem not created by the GNSO community.

Second, we ask the ICANN Board to reverse Deloitte’s practice of keeping the Trademark Clearinghouse secret and off limits to public searching—another feature created and approved by ICANN staff.

In addition, the Working Group discovered that Deloitte keeps all registrations in the Trademark Clearinghouse secret, contravening the fundamental principle that ICANN should operate with transparency and accountability.

The GNSO team evaluating rules for the Clearinghouse adopted by the GNSO Council and the Board made no rule or recommendation about locking down the Trademark Clearinghouse to make it closed or secret. Transparency and accountability are, after all, the bywords of ICANN.

Further, trademark registrations are open and public records, available to all who seek to avoid consumer confusion. They are not trade secrets; they are matters of public record. An open and public

Clearinghouse is the best way for good-faith future registrants to find and steer away from domain names that are likely to cause confusion with existing trademarks in the Clearinghouse.

Like Deloitte’s approach to design marks, the secrecy of the Clearinghouse arose during “implementation” and under the oversight and direction of ICANN staff. What ICANN staff created, they can reverse, to the benefit of all.

We ask the ICANN Board to direct ICANN staff to make items in the Trademark Clearinghouse database open by default. Should extraordinary circumstances develop such that a country does treat some trademark registrations as secret—a circumstance almost unimaginable given the nature and purpose of trademarks—the undersigned attorneys and scholars are happy to join ICANN staff in drafting a narrowly tailored exception to the openness rule.

The undersigned support this call for the ICANN Board to intervene and reset the rules for the Trademark Clearinghouse. What ICANN staff broke, we can fix together.

Respectfully submitted,

May 21, 2021

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