

DEFENSIVE APPLICATIONS FOR NEW gTLDs: SUMMARY AND ANALYSIS OF PUBLIC COMMENT

Sources

Public comment postings (6 February 2012 - 20 March 2012). Links to the full text of these postings may be found at <http://forum.icann.org/lists/newgtlds-defensive-applications/>.

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Timing and Procedures

A. Summary of Comments

No changes to first round. The call for proposals is already open, and companies have designed their business model around what is in the RFP and have made commitments to their bankers, shareholders and community. Applications should be judged according to the criteria set in the RFP. Whatever change may be beneficial, it should not apply to the first round. Those changes should be part of the next RFP for the second round of applications. *P. Vande Walle (7 Feb. 2012).*

No changes to RPMs. The GNSO's postponement of UDRP review signaled the general understanding that interfering with any of the rights protection measures (RPMs) at this time is not advisable and the ICANN community should wait and start evaluating them after the new gTLDs have been rolled out. NCUC finds it very disconcerting that this same justification is not used for these current discussions. This is a double standard. There is no evidence to suggest that ICANN needs to reconsider at this early stage of the program additional provisions to the RPMs or even to seek to create new ones. The application period is not concluded yet and we have yet to experience the effects (positive or negative) of the existing RPMs. Since the URS and UDRP are meant to be reviewed at different times after the launch of the new gTLD program, NCUC strongly

suggests that any reconsideration of additional RPMs should be postponed until after such reviews have been conducted and have established a tangible need that warrants re-evaluation of the existing RPMs. *NCUC (27 Feb. 2012)*

Distraction from other issues. The timing of this proceeding is bad and can distract the ICANN community from other important issues such as IDNs, Support for Applicants in the Developing World, and the smooth roll out of the program in general. *NCUC (27 Feb. 2012)*

Procedurally irregular and untimely.

ICANN should set aside the question of additional trademark protections until the bottom-up processes contemplated by ICANN's bylaws and the Affirmation of Commitments can take up the question in due course.

- ICANN's bylaws specifically provide that the GNSO is responsible for developing and recommending to the ICANN Board substantive policies relating to gTLDs. By soliciting policy recommendations regarding new gTLDs from the public directly (what measures "could be considered to help alleviate" the concerns with defensive registrations) rather than deferring to the GNSO, this provision may have been violated.
- Adding new protective measures now, when stakeholders have applied and are applying in reliance on the rules as currently established would reward an effort to collaterally attack the outcome of a six-year, global multistakeholder process. In doing so, ICANN will have encouraged others to undermine the multistakeholder process in future policy contests.
- Adding new protections now would upset a balance, however imperfect, that reflects the full and active participation by every sector of ICANN's stakeholder community.
- ICANN should evaluate whether additional protections would mitigate the perceived need for defensive registrations, but only after the application window closes in April and pursuant to correct procedures. The Affirmation of Commitments requires ICANN to review the new gTLD program after new gTLDs have been in operation for a year. Only experience can show whether the existing menu of trademark protections will suffice.
- Steps that ICANN can take now to improve the process include: improve education and outreach regarding brand holder protections; work with WIPO to develop detailed guidance about how Legal Rights disputes will be resolved, to be provided quickly before ICANN's application deadlines arrive; have staff engage the community more fully through the New gTLD Customer Service. *R.S. Gunnarson (27 Feb. 2012)*

Scope of comments. Certain trademark interests abused the initial comment period to request changes and additions to RPMs at the second level, seeking to have a fifth bite at the apple in regard to second level protections. The ICANN Notice was quite clear that feedback was being solicited only in regard to the top level of new gTLDs. ICANN should reject the vast majority of second level suggestions that were outside the scope of the original request and which would effect major substantive changes in the

substance of the URS and related RPMs after the opening of the application process and outside the multistakeholder scrutiny of the standard policy process. *ICA (20 Mar. 2012)*.

B. Analysis

Comments expressed concern about introducing new rules or changing existing provisions during the application submission period.

Comments also noted that the current provisions in the Applicant Guidebook were the result of community consultation and input. Some commenters expressed procedural concerns and discomfort about setting a precedent if changes to the top-level protections were to be made outside the established processes. These comments suggested the GNSO as the proper venue for considering policy changes on these issues.

It is agreed that the GNSO has policy responsibility for the gTLD space. It is further agreed that it would be problematic to introduce new provisions in the middle of an application submission period, where applicants have already submitted or planned to submit applications based on an understanding of the rules in the Applicant Guidebook, and ICANN has avoided making such changes.

ICANN has committed to reviewing the first application round, including examination of the effectiveness of the application and evaluation processes and the safeguards put in place. Additionally, ICANN has addressed the existing protections in its materials and communications concerning the New gTLD Program, and will continue to do so.

Applications for Defensive Purposes

A. Summary of comments

Longstanding concerns of stakeholders. Verizon disagrees with the phrasing in the request for comments that stakeholder concerns about defensive applications and registrations apply to “some” and are “recent” or “perceived”.

- In fact, trademark owners and a host of others have consistently raised such concerns throughout the new gTLD process. ICANN was well aware of the concerns and shoulders some of the responsibility for driving this “perceived need for defensive applications” based on the Board actively touting the .brand application opportunity and ICANN’s extensive roadshow marketing the new gTLDs as a unique “opportunity” possibly limited in time with little up-front transparency about who could be applying to register a .brand, and possibly leading to an expensive auction at the back end.
- It is therefore not surprising that many in the community are still concerned about the need for defensive registrations. The recently publicized incidents of

speculation and cybersquatting following the rollout of the new .xxx gTLD should be instructive to ICANN when it considers the “perceived” concerns of brand owners. Even though Verizon paid a high fee not to register the Verizon brand in the .xxx gTLD, this did not prevent third parties from paying an expensive application fee to register variations of Verizon.xxx (e.g. a cybersquatter registered Verizonwireless.xxx and attempted to auction it off on a third party website).

- Defensive behaviors at the top or second level would only confirm the unaddressed flaws in the new gTLD program. Defensive registration at any level is the opposite of ICANN’s stated goal to drive innovation, competition and choice by introducing new gTLDs. Without immediate and significant changes to the program, the only “choice” left to ICANN stakeholders will be to engage in non-innovative defensive behaviors that are the subject of this public comment period.

Verizon (29 Feb. 2012)

Good Reasons to Apply for a Defensive .Brand

- (1) Your trademark is very common;
- (2) You don’t want to be left out given expected timing delays between this round and round 2;
- (3) Your trademark is also a generic word, especially one pegged as “big” TLD.

Bad Reasons to Apply for a Defensive .Brand

- (1) You don’t have a popular trademark (most brand owners applying for .brand TLDs are very big companies)
- (2) Your consultant has convinced you that you must apply. Read the Guidebook yourself, particularly the legal rights objection (section 3.5.2). It is pretty clear that if you have legal rights, and the applicant doesn’t, and the TLD is likely to be confusing to the relevant sector of the public, that you will likely win.

Middle Way

If you have no interest in running a TLD but you have to make sure no one else gets it, then apply and if there are no competitors for the string, you can withdraw (you will get \$130K back if you withdraw before evaluation period is over). Cost will be \$55K. If there are contenders and they concern you, then you are in the game and won’t need to depend on a legal rights objection.

Minds + Machines (7 Feb. 2012)

Defensive v. competitive registrations.

People are confusing the notion of defensive registrations with that of competitive registrations. The new gTLD process gives those who hold trademark rights the ability to stop anyone who would try and use inappropriately the word they have some mark on. There is no reason to get into the gTLD business for this reason. The objection processes are cheaper and easier. However, a new market is being opened up. There may be many mark holders who have an equal claim to the use of a marked word, and it becomes a marketing issue (is the marketing advantage something a company wants for itself as opposed to letting someone else have it). So while there is absolutely no

reason to get a .brand for defensive reasons, there may be every reason to get one as a marketing or advertising solution (a competitive registration). *A. Doria (9 Feb. 2012)*

Brand owners feel pressure to apply for gTLDs now, even if they would not otherwise, simply to avoid being locked out for years of what may come to be seen as the premium strata of the Internet. These rules and policy limitations generate artificial demand and pressure for defensive applications. Also, the only way that a brand owner can ensure control of the string that corresponds to its mark, even if the brand owner deems it most likely that it will have no business use for the registry, is to file its own defensive gTLD application. *INTA Internet Committee (27 Feb. 2012); IPOA (27 Feb. 2012); GE (21 Mar. 2012)*

The need businesses feel to “defensively” apply for gTLDs is less motivated by fears about cybersquatting than it is by anxiety about falling behind their competitors given the unknowns about when the next application round will be held. The ICANN Board can immediately ease these anxieties by requesting an Issues Report to formally initiate a policy development process to determine when the next round of new gTLD applications will occur. A transparent timeline would give businesses and organizations greater flexibility and strategic planning ability. *CADNA (27 Feb. 2012)*

GE supports recommendations for ICANN to announce when the next round of applications for new gTLDs will occur; the pressure to apply defensively for new gTLDs is partially caused by the uncertainty of when the second round of gTLD applications will occur, which forces some brand owners to apply for new gTLDs sooner than they would like. Having a set date for a second round of gTLD applications would alleviate some of the concerns surrounding the new gTLD initiative and would allow for greater flexibility and strategic planning. *GE (21 Mar. 2012)*

ICANN should be obligated to hold a second application round in the near future, particularly if the “Do Not Sell” list is not adopted, but ICANN should not construe this position as tacit approval of the new gTLD program in its current form. The new gTLD program must be revised to include more substantial RPMs for brand owners at both the top and second level and such RPMs must be implemented as efficiently as possible, certainly prior to a second round application phase. *IPOA (20 Mar. 2012)*.

This competitive challenge could be addressed by a more transparent process, consistent with ICANN’s Affirmation of Commitments, whereby the identities of all entities applying for TLDs and the names for which they are applying would be released as their applications were submitted. *CRIDO/ANA (27 Feb. 2012)*

The legal rights objection, the \$185K application filing fee along with at least another \$25K in application-related costs and fees, and the background check should decrease meaningfully the risk of third-party “cybersquatting” gTLD applications. Accordingly, we hope that a “defensive” gTLD application to counter an anticipated risk of a cybersquatting gTLD application would be unnecessary. “Defensive” gTLD applications filed for business or competitive reasons—to secure a brand gTLD to prevent a third

party with a legitimate, competing claim to it or to avoid the expanded scope of string similarity in a second gTLD round—should not be considered “defensive” specifically for purposes of combatting cybersquatting. *Microsoft (27 Feb. 2012)*

If companies believe that there will be cybersquatting at the top level, CADNA believes that this is due to a misunderstanding of the new gTLD program (which has many safeguards against cybersquatting at the top level), or to anxiety about ICANN’s ability to execute on its process. *CADNA (27 Feb. 2012)*

High application fee not necessarily an effective deterrent to bad actors. It is a mistake to assume that all criminals are without resources. Many domain fraudsters have significant financial resources at their disposal to infiltrate the TLD marketplace. CRIDO/ANA members draw little comfort from the high application fee when weighing the potential risks to their brands from not defensively registering at the top level. It would seem that the \$185K fee and real possibility of having to compete in an auction will do more to deter start-ups or small businesses from applying than the enterprises already wreaking financial harm or worse on the Internet. *CRIDO/ANA (27 Feb. 2012)*

Reasons for applying “defensively”

Regarding why the corporate public thinks it needs to register for gTLDs “defensively,” how could you not think so? If two different companies have the same mark, albeit in two different countries—how could there be anything but an application for defensive purposes? *C. Douglas (10 Feb. 2012).*

Any globally famous brand should be considering the relatively trivial cost of its own TLD at the very least as part of protecting its multi-million investment in its brand equity. There are six good reasons to do so: (1) Delight consumers with imaginative sub-domains and integration of mobile and smart apps; (2) Consolidate your web presence; (3) Be found by your customers; (4) Look safe by creating a safe area for e-commerce and other consumer-focused activities; (5) Feel safe by having full control of the company Intranet; (6) Talk safe by telling the consumer that here their money is safe and the goods are genuine. *P. Sheppard (13 Feb. 2012)*

While the RPMs in the January 2012 version of the AG are an improvement over what was there four years ago, they are not as effective as those initially recommended by the IRT. Registering defensively at the second level is currently the only certain way of protecting registered rights. Comprehensive defensive registration at the second level will be prohibitively expensive. *MARQUES (26 Feb. 2012).*

While there is a legitimate need for a defensive application process at the top level, the extraordinary costs are prohibitive. ICANN should take further steps to alleviate this problem. Rights owners may act to file a defensive application for the following reasons: (1) to protect legal rights, out of concern about the uncertainty of the Legal Rights Objection (the LRO appears to be a brand owner’s only direct protection in the top level); (2) to get the benefit of other protections (e.g., String Confusion Objection and String Similarity Review only available to applicants); (3) to avoid the risk of losing the

use of their mark to other legitimate users of the same mark; (4) to avoid being shut out of the opportunity, even in the absence of any current business plan for use of their brand as a gTLD, given uncertainty about the next opportunity. *AIPLA (27 Feb. 2012)*

Many brand owners feel that filing an application for defensive purposes is the better business choice, if not the only business choice, when so much uncertainty still remains around the new gTLD process, when the next round will begin, etc. The decision to file for defensive purposes seems all the more essential given ICANN's persistent watering down (if not outright rejection) of numerous brand protection mechanisms which might otherwise have minimized brand abuse in an expanded DNS. *Yahoo! (27 Feb. 2012); IPC (27 Feb. 2012); IACC (27 Feb. 2012); INTA Internet Committee (27 Feb. 2012); GE (21 Mar. 2012)*

At the top level, the String Confusion Objection and String Similarity Review are available only to applicants, and the Legal Rights Objection does not provide sufficient protection to trademark owners. At the second level, the existing rights protection mechanisms are weak, they lack a transfer remedy and place an unnecessarily high standard of proof on complainants. *GE (21 Mar. 2012)*

Uncertainty over how the String Similarity rules will play out (e.g., "permanent string preclusion") is another pressure to apply defensively for a gTLD. *IPC (27 Feb. 2012); IACC (27 Feb. 2012); INTA Internet Committee (27 Feb. 2012); IPOA (27 Feb. 2012)*

Under the current rules, brand owners concerned about strings at the top level which incorporate their unique names and may be confusingly similar to their .com registrations feel substantial pressure to file defensive registrations in order to have standing to invoke the string confusion dispute resolution process. *CRIDO/ANA (27 Feb. 2012)*

One reason that trademark owners may consider a defensive registration necessary relates to the function and role of trademarks. Clearly many trademark owners recognize that they run the risk of being blocked from obtaining a brand TLD due to another brand TLD even though, under trademark law, the two brands would not be considered confusingly similar. There are undoubtedly many other examples of uncertainty and risk that a trademark owner may face that could lead it to apply for a gTLD that it would not otherwise want, seek or use. *NCTA (27 Feb. 2012).*

In the end the reasons for submitting a defensive registration depend on individual circumstances. Widespread ignorance of the protections available to trademark owners explains some of the perceived need. ICANN could do a better job of highlighting such protections rather than concentrating so much attention on the virtues of the new gTLD program. Reasons for submitting a defensive registration might run the gamut from marketing strategy to competition to ignorance of available protections. But the question cannot be fairly answered by turning to the PR positions of the groups. *R.S. Gunnarson (27 Feb. 2012)*

Sufficiency of legal rights objections as an alternative.

For many trademark owners, an Existing Legal Rights Objection will not offer an alternative to filing a defensive application for a new gTLD. To avoid needless expenditure of time, effort and expense, it would certainly be preferable to address the problem early in the application process, rather than after applicants have filed their applications and ICANN has completed its initial review. *NCTA (27 Feb. 2012).*

Trademark owners of “common marks” and “generic marks”, unlike those with relatively unique names, will not be adequately protected by the legal rights objections process. In that process as currently envisioned, they might face others with a claimed equally valid legal entitlement to the same TLD name. In the event that such trademark owners apply for a TLD, they might find themselves competing at an auction against others which also have legal rights to a particular name. In these situations it is quite foreseeable that competing entities might be applying defensively and none might have any intention or desire to run an Internet registry. This type of defensive competition is clearly uneconomic and counterproductive. *CRIDO/ANA (27 Feb. 2012)*

The availability of dispute resolution processes cited by ICANN to protect legal rights holders and make “defensive” gTLD applications unnecessary will not help in situations involving domain string confusion objections or competing legal claims from rights holders in different countries or industries. In those situations, only companies that have applied for the gTLD will be able to assert their rights or compete for rights to the gTLD at auction. *Gap (29 Feb. 2012)*

“Protection money” threat. The primary issue for those with existing domains is not the threat of new gTLDs using trade or service marks, but rather the proliferation of new TLDs and the threat of paying protection money to hundreds of new registrars (being forced to pay to every new registrar that pops up an extra USD\$50/year (or so) under threat that they’ll use their new ICANN-blessed franchise to sell a bit of your good name to someone else, or (worse) use it to try to destroy your reputation by creating a fake “this domain for sale” web page). If the new TLDs were being used for some good and limited purpose then the plan would be easier to understand. There appear to be no practical limits to the new TLDs and the likelihood that they will be used to siphon money away from legitimate businesses is unacceptably high. It is hard to see how this does not end in disaster. *J. Carlson (7 Feb. 2012).*

Brand application type.

The addition of a .brand application type to the DAG is a process failure, the root cause of which is the process that found the anticipatory beneficiaries of a .brand application type to constitute the consensus making body, excluding all other stakeholders and their statements of record. ICANN has several alternatives for remediation of effect:

- Bar applications for brands which fail to meet a narrow reading of Sec. 3, The Administration of Delegated Domains, subsec. 2, of RFC 1591, recited in ICP-1;
- Where existing IP rights when prosecuted vigorously fail to protect a brand holder’s legitimate interest in a string, allow the objection to convert to an application for the string in contention, with the condition that like the original

objection(s), no delegation into the IANA root will ever be made for the so protected string;

- Use a contract right not exercised since the redelegation of .org from VGRS to PRI and make gTLD contract renewal conditional, first, upon intended purpose, and second, upon open competition with bidders not currently holding market share sufficient to trigger competition policy restrictions. The certain failure to maintain the fraud upon the public will reduce fraudulent applications.
- Abandon the one-size fits all policy mode and price .brand applications at their anticipated actual policy cost, and lower the operational requirements associated with real registries to allow “toy registries,” the general form of “.brand” registries. Not only would this reduce the cost to brand managers who elect to engage in application, defensive or not, it could allow fees and operational costs for small registries, not limited to brands, to drop to the reasonable level the first and second rounds applicants experienced. It would be absurd to reduce the fees and operational burdens for the toy registries of major corporations while leaving the fees and operational burdens for linguistic and cultural registries unchanged.
- Long-term action is legal reform that would reduce the dilution cost of new label spaces to marks portfolio managers, and registration policy reform that would reduce the infringement cost of label spaces, existing and new, to marks portfolio managers.
- ICANN could also end the conflict between ICP-1 and the ICANN-proposed practice of making delegations from the IANA root to fee-paying brand managers by modifying or abandoning ICP-1. Similarly, ICANN could end the conflict between the nominal policy development process and the ICANN-proposed policy regarding “.brand” applications by modifying or abandoning transparency and accountability language.

E. Brunner-Williams (13 Feb. 2012)

Global naming—ICANN role. As we approach the global borderless future of multi-billion online users, global trademark registrability is the basic test to discover the limitation of a name. Well protected brands all over the world are protected because their name identities possess special qualities and are therefore worthy of such status. The ‘do not sell list’ suggested by CRIDO is still the best way to prove the depth of already existing “naming fiascoes.” ICANN should welcome any kind of “defensive registration” for a reasonable fee and respond by a professional Name Evaluation Report that will assess marketing suitability and usability of the name based on global implications with authoritative analysis and recommendations. ICANN should take the lead in this global debate because it already manages 220 million domain names and is about to open a new gateway of super name identities. Any global name clearinghouse will be a logical extension of services and further support the gTLD type programs. The trademark profession must adjust to new changes and acquire deeper understanding of global naming issues and rules of corporate nomenclature. For the first time in 50 years, “global naming complexities” are being addressed head on in a wide open global debate where all relevant parties are engaged. This is due to technological progression of the internet and multibillion online users proving to be natural catalysts. ICANN and the

gTLD debate are assisting the world to better understand the landscape and re-write the global rules of cyber branding and social communication. *N. Javeed (8 Feb. 2012)*.

B. Analysis

Comments expressed different views on the adequacy of protections at the top level. A number of comments indicated that the risk of cybersquatting at the top level is minimal.

Others indicated that for many, certainty was desired and that the only way to be sure of preventing an application by a squatter or a competitor would be to proactively submit an application. The New gTLD Program includes an objection procedure on four enumerated grounds to provide protections for important interests and rights. Unlimited protection from any other source of an application for a given string would not be possible, as many parties may have rights or legitimate interests in the same TLD string.

Comments acknowledged the existence of the legal rights objection; however, it was noted that the procedure was new and not well-understood, and thus considered by some parties insufficient to eliminate the need to submit an application.

Some comments noted scare tactics or claims made by consultants, indicating that better education could be helpful. This is agreed and it should be noted that ICANN has not sponsored or endorsed any consultant activities related to the program. ICANN has made available basic fact sheets, as well as fact sheets on specific topics such as applicant support, batching procedures, application evaluation, the objection process, information for governments, and information for rights holders. These are available in multiple languages (see <http://newgtlds.icann.org/en/about/program/materials>). Those with questions should refer to the information on the ICANN website or submit questions to newgTLD@icann.org for factual information.

Comments identified a distinction between “defensive” and “competitive” applications. It should be recalled that the GNSO policy advice called for protection against the infringement of existing legal rights, and that the objection mechanism is a measure for the protection of such rights in the introduction of new gTLDs. While there may be competitive or business factors driving application decisions (e.g., applying for a string in case a competitor also applies), these are not elements that can be “protected” via the new gTLD policy.

Lack of certainty about future application rounds was also cited, along with requests for a transparent timeline. The Board has responded to this with its commitment to a second application round and to producing a work plan showing the steps to be undertaken. (see <http://www.icann.org/en/groups/board/documents/resolutions-07feb12-en.htm#4>).

Finally, some comments noted a concern with regard to the string similarity rules – for example, if a TLD is delegated in the first round, this could “lock out” a party with an

interest in a similar string from submitting a future application. The objective of the string similarity review is to prevent user confusion and loss of confidence in the DNS resulting from delegation of many similar strings. It is not intended to constrain the namespace unnecessarily. These policy objectives and the string similarity review procedures are factors that parties may wish to consider in decision-making.

As noted in some comments, a decision by a party concerning whether to submit an application involves balancing the opportunities and risks, which will vary depending on the circumstances of a given entity. See also “Benefits and Risks of Operating a New gTLD” at <http://newgtlds.icann.org/en/about/benefits-risks>.

Opposition to New Measures

A. Summary of Comments

The call for additional protection at the top and second level is unjustifiable.

We have yet to see conclusive data, or any data at all, supporting the actual need for defensive registrations and whether actual costs of such registrations are excessive. Defensive registrations have been based on the mistaken presumption that trademark owners must “own” all terms matching or close to their trademark in the domain name space. There is not enough evidence to suggest whether defensive registrations are necessary or the true impact they have within the registration culture, and not enough evidence to suggest that they are primarily aimed at consumer protection or are conducted in a manner that seeks to establish control over terms in the domain name space. *NCUC (27 Feb. 2012)*.

The current framework for the protection of trademarks in the domain name space is more than adequate. We count five different RPMs that seek to protect trademarks and brand names at both the top and second levels; framework includes: (1) a formal Objection and Dispute Resolution procedure administered by WIPO; (2) Objection Process through ICANN’s GAC; (3) URS; (4) PDDRP; and (5) UDRP. On top of this there is the availability of court proceedings in every country. *NCUC (27 Feb. 2012)*

No change to legal rights objection. Regarding rearguard actions being pursued to try to gut the new gTLD program by changing the rules to give veto power to brands, the rules and procedures in the Guidebook regarding legal rights objections are well-balanced and should not be changed. *Minds + Machines (7 Feb. 2012)*

Proposed changes to second level RPMs are unacceptable. On both substantive grounds and because, contrary to the multistakeholder process, their addition after the first application round has commenced would make material changes (not mere technical implementation), ICA opposes proposals to: reduce the URS burden of proof; provide a domain transfer option; eliminate the URS expert examiner’s substantive

determination of how the trademark owner is using its mark; institute a “loser pays” regime for cases involving less than 15 domains registered by a single registrant ; maintain the \$300-\$500 price range of filing a URS complaint with ICANN subsidies, if necessary; expand the Trademark Claims Warning Service beyond identical matches and/or establish an expansive “do not sell” list; and impose “burden shifting” for domain names involving “frequently cybersquatted marks.” *ICA (20 Mar. 2012)*

B. Analysis

This set of comments considered that the current provisions in the Applicant Guidebook are reasonable and changes do not need to be proposed at this stage. Further, comments indicated that consideration of changes is premature, since there is no data or evidence concerning which issues are to be addressed.

It is agreed that the protections in the New gTLD Program have been carefully crafted. The process is designed to protect important interests and rights through independent objection and dispute resolution processes (and other processes). Various parties have stated a view that the top-level protections are adequate. This comment period was intended to generate comment on the perception that there is a need to submit applications for “defensive” purposes and how this can be addressed.

Suggested Measures

A. Summary of comments

Blocking.

Brand owners should be allowed to file blocking applications at low cost during the current application period or during a post-election period once the full applications are made public. These applications would not require full development of registry capabilities at this time but would afford the applicant the protections available to other applicants. *AIPLA (27 Feb. 2012)*

ICANN should amend the AG to include a requirement that all new gTLD registries that sell second-level domains to registrants must offer a one-time, low-cost block for trademark owners to protect their marks in perpetuity. This precedent has already been set by the 2011 launch of the .xxx gTLD, during which thousands of companies were able to protect their trademarks in a simple and cost-effective manner. *CADNA (27 Feb. 2012)*

Gap urges ICANN to consider adopting a process whereby brand owners could choose to register their trademarks and exclude them from adoption as gTLDs. Companies would pay a nominal administrative fee to register their trademarked names for defensive purposes only. This would allow companies to protect their valuable brands in a fair and cost-effective way and base their decision on whether or not to apply to run a “.brand” registry on business versus defensive reasons. *Gap (29 Feb. 2012)*

“Do Not Sell” or “Do Not Register” List.

Just as ICANN has reserved several of its own names and those of the International Olympic Committee and the Red Cross, ANA and CRIDO urge adoption of a “Do Not Sell” list for the top level on which any entity could enter a name to which that entity has a lawful entitlement. Registration on the list would make that name ineligible for delegation into the authoritative root until such time as either (1) all entities with competing legitimate claims agree that selling the name would not cause confusion or otherwise harm legitimate business interests and that the benefits of creating a new TLD using the name outweigh the costs; or (2) any claims of the entity which has enrolled on the “Do Not Sell” List are addressed through the existing RPMs. Without adoption of such a solution, brand owners will be forced in the aggregate to spend vast amounts of money on TLDs that they may neither want nor need in order to prevent consumer confusion, dilution of their trademark rights, the risk of traffic being directed away from their existing sites and other serious harms. *CRIDO/ANA (27 Feb. 2012 & 20 Mar. 2012); IPOA (20 Mar. 2012)*

A similar “Do Not Sell” list should be adopted for the second level, which would not operate in the same way as the GPML debated previously. ICANN should open forthwith a separate comment window addressing the CRIDO/ANA proposal so that the details of the “Do Not Sell” list can be considered. *CRIDO/ANA (27 Feb. 2012)*

CRIDO/ANA understands that this comment period is focused on top level domains but it is critical that a variant of the “Do Not Sell” concept also be developed for the second-level domains. *CRIDO/ANA (20 Mar. 2012); IPOA (20 Mar. 2012)*

Proposed implementation details--“Do Not Sell” List.

- Enrollment. Any entity could enroll any names including trademarks, wordmarks and other names and identifiers used in connection with the entity to which that entity has a legal right. At time of enrollment the entity would only need to provide valid contact information and the names that they do not want sold based on their claim of legal right to use those names.
- Existing Applicants. Within 30 days of a public announcement of availability of a “Do Not Sell” List, all those entities that already filed applications would be given an opportunity to withdraw and instead enroll in the “Do Not Sell” List the names for which they defensively applied and have their fees refunded minus perhaps 5-10% to defray ICANN administrative costs already incurred.
- Conflicts.
 - One of the biggest advantages to the List is that there would be no need to resolve conflicts among enrollees claiming rights to the same or confusingly similar names as those entities would clearly all be doing so for defensive registration purposes only.
 - For conflicts arising among TLD applicants and enrollees in the “Do Not Sell” List, the “Do Not Sell” List enrollee would bear the burden, within 30 days of (simultaneously) making the Do Not Sell and TLD Applicant Lists, of demonstrating that: (1) naming conflicts exist; and (2) the “Do Not Sell”

entity has a legal right to use of the name in question (offer proof that name was a trademark, wordmark or brand identifier already in use by the entity, on the Internet, in any of the existing TLDs). Failure to meet this burden would result in dismissal of the “Do Not Sell” List enrollment and the TLD application would proceed. If the enrollee did meet its burden, then the burden would switch to the TLD applicant (to show use and a non-speculative purpose).

- ICANN would then review the relevant TLD application to determine if the applicant adequately showed that the name at issue would be used by the applicant itself in an open or closed registry and for a non-speculative purpose. ICANN could request from the applicant information beyond what was in the original application and the applicant might be required to provide sworn certification of its plans for use of the TLD. Failure to meet this burden would result in dismissal of the TLD application (ancillary effect--would discourage speculators from submitting applications);
- Entities which met their respective burdens would have 60-90 days to attempt to resolve the naming conflict by mutual agreement. The new TLD could not be sold unless and until the entities reached agreement that the new TLD would not cause confusion or harm legitimate business interests and that the benefits of the TLD would exceed its costs. An alternative to such negotiation would be for ICANN to give List enrollees that met their “legal right” burden full access to all the RPMs for the top level regardless of whether the enrollee had applied to run a TLD, with the outcome to be determined by those processes (currently the string confusion objection process is limited to existing TLD operators or TLD applicants in the current round).
- Costs. A nominal fee for listing would likely be needed (e.g. \$200 for first listing and \$100 for additional listings by the same entity) to defray operating costs.
- Timing. To be effective in eliminating unnecessary top level defensive registrations, the “Do Not Sell” List proposal must be adopted, a public announcement made, and publicity campaign undertaken almost immediately. CRIDO/ANA stands ready to work with the Board and stakeholders to ensure that through adoption of the List or similar solutions, there are minimal, if any, defensive registrations as a result of ICANN’s expansion of the domain name space.

CRIDO/ANA 20 Mar. 2012.

GE supports creating a procedure which would allow any entity for a nominal fee to enter a name to which that entity has a lawful entitlement on a “Do Not Sell” list and thus exclude it from being registrable as a gTLD. This proposal appears to be widely supported in the trademark community and its implementation would significantly reduce the need for defensive gTLD registrations, which some brand owners neither want nor need. *GE (21 Mar. 2012)*

GE strongly supports CRIDO/ANA’s suggestion to extend the “Do Not Sell” list concept to the second level, which would help minimize the volume of infringement and

cybersquatting at the second level that will inevitably come with the new gTLDs. *GE (21 Mar. 2012)*

In the initial round of comments there was broad support for some variant of a “Do Not Sell List”, “Do Not Register List”, name “Blocking List” or “White List.” To the best of our knowledge the few comments opposing implementation of one of these remedies related solely to the challenge of creating a new option at this point and not to the substance or merits of the solution. While being aware of the imminent closure of the application window, CRIDO/ANA believe that a mutually-agreeable alternative to costly and worthless defensive registrations can still be reached (changes can still be made to the Applicant Guidebook per Section 1.2.11). *CRIDO/ANA (20 Mar. 2012)*.

Creation of a “Do Not Sell” List would greatly facilitate the review to be conducted at the conclusion of the first application round (e.g. by eliminating or at least significantly reducing “purely defensive” applications at the top level) and expedite the commencement of a second round of applications in which so many stakeholders have expressed an interest. *CRIDO/ANA (20 Mar. 2012)*

Cybersquatters and “Do Not Sell” List. Any “Do Not Sell” List adopted by ICANN should have a mechanism to discourage cybersquatters from registering domains on the “Do Not Sell” list --e.g. as proposed by ANA, a mechanism by which the “Do Not Sell” registrant would within 30 days of a naming conflict bear the burden of demonstrating legal rights to the mark in question; or, an alternative could be a requirement that the registrant provide such evidence at the time of registration. *IPOA (20 Mar. 2012)*

Create a “do not sell” list based on famous brands, globally protected marks, or proven victims of cybersquatting. The list’s effect could be to block conflicting applications or to shift the burden to the applicant to demonstrate that it has a legitimate right and interest in using the gTLD. *AIPLA (27 Feb. 2012)*

NCTA supports the adoption of a “white list” of strings that would not be available because they are identical to a mark on the list. In addition, applied-for gTLD strings would be analyzed for confusing similarity to marks on this list, just as they will be compared to existing TLDs, reserved names and other gTLD or ccTLD strings that are under consideration. This solution offers great promise and some time should be allowed to reach a consensus before the application period closes. *NCTA (27 Feb. 2012)*.

AT&T supports a Do Not Register list as an effective way to provide stronger protections and to at least reduce the need for companies to file defensive registrations and rely on post-delegation remedies to address domain name abuse. The protections we are seeking are similar to protections that ICANN has afforded itself and other globally recognized organizations that have been placed on a Reserve List. The existing new gTLD program provides only limited protections designed to keep infringing domain name registrations out of the system in the first place. At the top level a company must resort to a defensive registration or filing a legal rights objection; at the second level a

company can register with the TM Clearinghouse but this offers only limited and temporary protection. *AT&T (28 Feb. 2012)*

A “do not register” or “registry block” service should be added based on the TM Clearinghouse, allowing any trademark holder to pay a one-time fee to permanently prevent registration of names that are an identical match or include the identical match trademark name. Operate it for two years, then evaluate its continuation. *BC (27 Feb. 2012)*

Real remedies for cybersquatting, fraud and abuse are needed on the front end. Although a Do Not Register list is an imperfect remedy, it is at least one step that arguably prevents a party from applying for their own name at the top level, but more importantly (for the vast majority of trademark owners) at the second level. The existing RPMs proposed in the DAG would not prevent or adequately address these abuses.

- All trademark owners should have a one-stop “opt out” option (Do Not Register list) at the top and second levels. The ICM registry offers a variation of this remedy today at the second level for the .xxx TLD and is one model ICANN examines to craft a rigorous trademark protection program. There could be a small one-time fee to opt out from having one’s trademark included across all the gTLDs.
- The list would be maintained by ICANN’s proposed TM Clearinghouse and available to trademark holders who submit proof of a national trademark registration and other requirements to supplement their trademark information. Registries would need to check the list and decline any registrations that run up against the names on the list.
- In case of disputes, there could be a process similar to the UDRP where a party could challenge a particular name on the list. This list is not the same as the GPML. Governmental organizations, IGOs, and nonprofits should all have the right to make use of the do not register option.
- The list would prevent cybersquatters from registering names that are identical to registered trademarks and also names that include additional words along with trademarks. *Verizon (29 Feb. 2012)*

Adequacy of “Do Not Sell” List. The “Do Not Sell” list proposed by CRIDO/ANA would eliminate many concerns of trademark owners and we encourage ICANN to evaluate such alternative proposals, but we cannot say without further study whether it is an adequate answer to all trademark owner concerns. *IPOA (27 Feb. 2012).*

Additional withdrawal and refund window.

To address the business/competitive “defensive” gTLD application concern, ICANN should add an additional refund window into the application process. After publication of the applications, gTLD applicants should be provided with a short window (not more than 7 days) to withdraw their application for a \$162K refund. This would allow those gTLD applicants whose applications were filed solely for business/competitive “defensive” reasons to recover almost all of the filing fee once they know that their “defensive” gTLD application is not necessary. *Microsoft (27 Feb. 2012).*

We support providing a short window of time immediately after publication of the list of applicants (as little as 10 days or 2 weeks) within which applicants can withdraw their application and receive a full (or at least partial but substantial) refund. This would give applicants the opportunity to see whether a top level domain application is really immediately needed for top level defensive purposes, rather than applying blind, solely out of uncertainty and mistrust of the system. While ICANN is certainly not an institution driven by concerns about its image and reputation, allowing for such a window/refund might also go a long way towards building a little good will between ICANN and the brand community. *Yahoo! (27 Feb. 2012)*

IPOA supports the concept of a full refund within a reasonable time after the initial list of new gTLD applications is released. *IPOA (20 Mar. 2012)*

ICANN should implement a complete refund window into the application process after the publication of the applications allowing applicants to withdraw their applications and get a full \$180K refund once they are assured that the need for a defensive application is no longer necessary. *IPC (27 Feb. 2012); IACC (27 Feb. 2012); INTA Internet Committee (27 Feb. 2012); GE (21 Mar. 2012)*

If ICANN is unwilling to consider adoption of some version of a blocking list, then NCTA proposes the following alternative: at the end of the Initial Evaluation period, if there is only one qualified application for a gTLD string or a similar gTLD string, that applicant should be allowed to withdraw its application and receive a refund of its filing fee. *NCTA (27 Feb. 2012).*

ICANN should allow submission of an incomplete application that may be completed within six months of the close of the application period with an option to opt out and receive a full refund after the applications are made public. *AIPLA (27 Feb. 2012)*

Second comment period should be opened regarding continuing concerns at the second level.

The risk of defensive registrations at the second level is much higher than at the top level. All brand owners, including those who decide not to file, will still incur unnecessarily high costs to protect their brands and their consumers from frauds and abuses at the second level. *Verizon (29 Feb. 2012)*

Second level domain difficulties deserve separate treatment and attention in the months ahead, once the new gTLD concerns have been addressed. *IPOA (20 Mar. 2012)*

Additional safeguards and second level threats.

ICANN failed to include adequate safeguards against threats to trademark and consumer interests at the second level; e.g., ICANN refused to adopt the GPML to assist brand owners which was recommended by the IRT and diluted the other RPMs recommended by the IRT. Many of the RPMs are now viewed as ineffectual. *IPC (27 Feb. 2012); IACC (27 Feb. 2012)*

Existing RPMs should be strengthened. ICANN offers in the DAG a watered down version of the IRT recommendations that will be ineffective and expensive for brand owners. Trademark owners can only safely rely on the existing trademark remedies, e.g. UDRP or civil remedies under ACPA, neither of which scale or necessarily are available to address the volume of infringement that will occur at the second level. ICANN should sure up the proposed RPMs by:

- Amending the PDDRP to offer real remedies against new registries that become havens for cybersquatting and other crimes, with the lower “preponderance of the evidence” standard of proof. Registries should be held accountable when acting in bad faith and with willful blindness for fraudulent and illegal activities shown to arise on a continued basis in their delegated gTLD. *Verizon (29 Feb. 2012)*.
- TM Clearinghouse should be improved; the “sunrise period” is nothing more than an expensive form of defensive registration at the second level (and ICANN did not adopt recommendations that it limit the price on sunrise registrations) and the TM Claims service is not a “remedy.” *Verizon (29 Feb. 2012)*.
- Encourage and work with law enforcement to strengthen an accurate WHOIS, and not just through “thick WHOIS.” *Verizon (29 Feb. 2012)*.
- URS should have a transfer remedy, the lower “preponderance of the evidence” standard of proof, removal of any requirement that a URS provider make any substantive determination about how a trademark owner is “using” its mark and implement a real “loser pays” model that applies regardless of how many domain names one registers in bad faith. If URS cannot be offered for \$300 as proposed by ICANN, then ICANN should consider having its registrars implement a notice and takedown process. *Verizon (29 Feb. 2012)*.

GE agrees with many initial commenters that defensive registrations at the second level are a big concern. ICANN should strengthen the existing RPMs such as the URS and PDDRP to provide for a transfer remedy and a “loser pays” remedy (for all URS proceedings, regardless of the number of domain names involved) as well as a lower standard of proof. The Trademark Claims service should be expanded to domains that not only consist of an identical trademark in the Clearinghouse but also contain a trademark or are misspellings, supersets or phonetic variations of a trademark. *GE (21 Mar. 2012)*

Based on AT&T’s experience with defensive registrations and the magnitude of problems that may arise under the new gTLD program, AT&T believes that additional safeguards are needed to mitigate the need for defensive registrations and address the rampant problem of domain name abuse. While there are concerns about defensive registrations at the top level, such concerns are magnified at the second level. ICANN should establish a robust structure for gathering data about defensive registrations and other indicia of domain name abuse, which will inform its decision-making process and contractual compliance activities. *AT&T (28 Feb. 2012)*

The primary problem that trademark owners face in new gTLDs is the continued need for *second*-level registrations to preempt cybersquatting. Given ICANN’s stated concern

about defensive registrations in this Public Comment announcement, ICANN should adopt the following to minimize the burden of defensive second-level registrations inherent in the new gTLD program:

- Make URS the rapid, inexpensive mechanism that the IRT designed it to be: Reduce filing fee to \$300-\$500, whether by modifying the procedures or subsidizing the filing fee with a portion of the “risk management” fund built into the gTLD application fee (estimated to be at least \$55M if 1,000 new gTLD applications are filed). If ICANN is not willing to take the necessary steps then it must stop characterizing the URS as rapid and inexpensive and issue notices of correction to those institutions and media outlets to which ICANN has made such a characterization. *Microsoft (27 Feb. 2012)*.
- Require burden-shifting to potential registrants of second-level domain names incorporating “frequently cybersquatted marks”. ICANN should require all new gTLD registries, via the Trademark Clearinghouse, to shift the burden to those potential registrants to provide legal justification for their registration and use of the domain name in question. The universe of marks “targeted for cybersquatting” should encompass those marks (a) that have been the subject of at least five administrative or legal proceedings in which IP infringement relating to registration or use of a domain has been found or (b) for which the trademark owner has recovered ten or more infringing domain names through at least one administrative or legal proceeding. *Microsoft (27 Feb. 2012)*.
- Extend “loser pays” to all URS proceedings. ICANN should extend “loser pays” for the filing fee to all URS proceedings, not just those involving at least 15 allegedly infringing domain names (all URS respondents would pay a response fee and the prevailing party would receive a refund of its filing or response fee, as appropriate). Precedent for this exists because ICANN does not limit loser pays in the trademark PDDRP and the RRDP. Loser pays should fully apply at the second level, which is where it will have the greatest impact. *Microsoft (27 Feb. 2012)*; *IPC (27 Feb. 2012)*; *IACC (27 Feb. 2012)*

Existing second level domain protections need to be supplemented. There are significant gaps in new remedies at the second level within the present iteration of ICANN’s plan and these feed into perceptions and concerns about the need for defensive registrations (small and medium sized business are particularly at risk given resource and expertise constraints). Many of these concerns could be resolved or nearly rendered moot by the simple extension of the CRIDO/ANA “Do Not Sell” list concept to the second level:

- Trademark Clearinghouse only pertains to registered trademarks. Brands that are not legally registered as some form of trademark pursuant to local law may not be submitted to the Trademark Clearinghouse. *CRIDO/ANA (27 Feb. 2012)*
- The Trademark Claims Warning Service solely provides warnings for “identical matches” only for a limited time, and does not provide for any remedy. It does not provide early warning for the majority of cybersquatting registrations (slight misspellings, phonetic similarities, etc.), is available during the first 60 days of a TLD launch period (after which trademark owners have to monitor new registrations), and there is no obligation on a registrant to do anything at all once a notice is received. *CRIDO/ANA (27 Feb. 2012)*

- Sunrise Period Registrations are also limited to “identical matches”. Moreover, registrars can charge whatever they want for sunrise registration; in the past, prices have been perceived as excessive. *CRIDO/ANA (27 Feb. 2012)*
- URS does not “remove” the second level name from circulation. If a mark holder prevails in a URS proceeding, the domain name merely becomes available for registration by another entity. The trademark owner would need to register the name defensively to prevent the name from being used by others. ANA/CRIDO members believe that this process will be infrequently used, and tellingly, to the best of our knowledge no provider has stepped forward to offer this “low cost remedy” at the \$300 fee originally proposed. *CRIDO/ANA (27 Feb. 2012)*
- PDDRP unreasonably requires a complainant to prove by “clear and convincing evidence” the existence of a substantial pattern or practice of specific bad faith intent by the registry operator to profit from the sale of trademark infringing names. The standard of proof should be lowered to “preponderance of the evidence” and registries should be held accountable not only when they are acting in apparent bad faith, but also when they ignore patterns of illegal activities occurring within their respective registries. *CRIDO/ANA (27 Feb. 2012)*

ICANN should consider the following additional measures, all of which MARQUES has raised in previous comments submitted on the Guidebook:

- Loser pays. If the registrant cannot be found, require the registrar to pay. A number of registrars already charge registrants for the administrative costs of implementing a UDRP or ADR decision. This single measure will drive cybersquatting down to a level where defensive registration is not necessary. *MARQUES (26 Feb. 2012)*
- String block. Allow any mark owner which has filed 10 or more successful UDRP, ADR or legal cases concerning cybersquatting on a trademark to have a block put on the corresponding string at the second level in all registries. Only registrants who confirm non-infringing use should be allowed to proceed with a registration. *MARQUES (26 Feb. 2012)*
- Domain transfer. Allow the transfer of a domain to a winning complainant following a URS complaint and speed up the URS to a maximum of 10 working days. *MARQUES (26 Feb. 2012)*

Post-delegation remedies should be strengthened and streamlined. For example, the URS should be modified and streamlined so it is rapid and cost-effective, and a loser pays structure should be imposed to provide cost recovery for parties that successfully utilize the process. *AT&T (28 Feb. 2012).*

Expand IP Claims Service. The IP Claims Service should be expanded to domains that not only consist of a trademark in the Clearinghouse but also contain the trademark. *IPC (27 Feb. 2012); IACC (27 Feb. 2012)*

Additional RPMs--Registry Operators in 120+ URS or UDRP cases per year. The ICANN compliance team should require registry operators which support second level domain names and which feature in more than 120 URS or UDRP cases in a year to

develop and implement stronger rights protection measures or face suspension of their registries or financial penalties. *MARQUES (26 Feb. 2012)*

Batching process.

To allow ICANN time to improve the protection of rights, ICANN should implement a batching process so that IDN and Community applications are evaluated first followed by Geo. Applications, Brand applications and finally Generic applications. This simple measure would mean that applications for Generic registries where the infringement of rights is most likely to occur will be processed after ICANN has had the time to develop improved rights protection measures. *MARQUES (26 Feb. 2012); INTA Internet Committee (27 Feb. 2012)*

We agree with others who are proposing batching by category in the following order: IDN (to extent that any new gTLDs are needed, there seems to be a consensus that these are needed most); Geopolitical references, which involve governments at a variety of levels; .brand; and true generics. This batching would provide a testing ground, give brand owners a better sense of how the process works and of the relative risks and rewards, and better inform their decision as to whether they want or need to remain in the process first round. *Yahoo! (27 Feb. 2012)*

ICANN should use the batching concept that has been discussed in the AG so that new gTLDs introduction is conducted in a manner that will offer the least disruption. Controlled batching will also allow more time for applicants to withdraw or work out a deal with any other applicant a party may find threatening. *IPC (27 Feb. 2012); IACC (27 Feb. 2012); AIPLA (27 Feb. 2012)*

CRIDO and ANA are not philosophically opposed to the creation of *any* new TLDs (e.g. IDNs, city names or community TLDs, subject to cost-benefit analysis, proper procedures and education, and slow, measured introduction). *CRIDO/ANA (27 Feb. 2012)*

AT&T supports a controlled introduction of new gTLDs to allow ICANN to manage risks and potential impacts while prioritizing introduction of IDNs. *AT&T (28 Feb. 2012)*

IPOA supports the concept of batching in order to reduce the damage to rights holders by the rollout of the new gTLDs. *IPOA (20 Mar. 2012).*

GE urges ICANN to adopt a suggestion to process gTLD applications in batches to allow applications for strings with the most serious concerns, such as .brands and .generics, to be batched later in the process, after IDNs and geopolitical names. This would allow ICANN to test the RPMs before registering the gTLDs that have the highest incidence of abuse. *GE (21 Mar. 2012)*

Impact of a “Do Not Sell” List on Batching. A “Do Not Sell” List would lower the number of TLD applications by removing some defensive registrations from the applicant pool and possibly eliminate the need for any batching; this would be especially true if existing

applicants could withdraw applications and instead register for the List. *CRIDO/ANA (20 Mar. 2012)*

Pilot program.

ICANN should not proceed with a wide-open new gTLD program until potential solutions and mechanisms addressing rights owners' concerns are fully developed and adequately tested. ICANN should begin with a small pilot program for new gTLDs as recommended by the GAC for a strictly limited number of gTLDs designed to serve linguistic, geographical and cultural communities. *AIPLA (27 Feb. 2012)*

IPOA is not opposed to creation of a limited number of new gTLDs to satisfy demonstrated needs (e.g. IDNs). We must continue to question, however, the value of additional competition and choice that have been cited as justifications for the new gTLD program as introduced. *IPOA (27 Feb. 2012)*

Limited beta test.

Verizon supports a limited beta test which could be limited to 30 gTLDs (e.g. 10 IDNs, 10 generic TLDs and 10 geographic/regional TLDs). Stakeholders would be less inclined to engage in unnecessary defensive filings if they understood ICANN was opening a spigot rather than a fire hydrant and testing the system slowly and responsibly for unintended consequences (measure the volume of cybersquatting, fraud and abuse along with RPMs effectiveness). *Verizon (29 Feb. 2012)*; *CRIDO/ANA* supports a limited beta test of the entire TLD process, including any "Do Not Sell" or "Do Not Register" process. *CRIDO/ANA (20 Mar. 2012)*

Fix the URS.

This debate would not be taking place if ICANN had been listening closer to IP interests during policy development. While it is true that there are good trademark protections such as the legal rights objection, it is a shame that the utility of the URS, the procedure for protecting users against fraud and for protecting brands, was devalued to close to zero during the policy debate. It is not too late to fix the URS to make it quicker and more robust with less hypothetical fuss about the misuse of the URS itself. *P. Sheppard (13 Feb. 2012)*

TLD trademark law protection. The U.S. Patent and Trademark Office (PTO) must retain the authority to provide trademark protection for TLDs, while ICANN should retain the authority to approve new TLD operators. As a result of the U.S. PTO's policy against trademark protection for TLDs, ICANN has been placed in the untenable situation of effectively administering global trademark law for the entire TLD industry. While it is laudable that ICANN has attempted to make up for the fact that TLDs may not currently be trademarked by guaranteeing protection for all trademarks in all industries, this is merely a stop-gap effort. This is also an unsustainable approach, since by what legal right can ICANN decide whether Apple Computers or Apple Records should get .apple? This is clearly a question designed to be answered not by ICANN but by trademark law. ICANN should reach out to the U.S. PTO in favor of trademark protection for TLDs. *Domain Security (23 Feb. 2012).*

B. Analysis

A number of comments included suggestions for new measures that were considered to relate to “defensive” applications. These suggestions were largely ideas that had been raised and discussed in the community previously. These included:

Blocked lists of various types. Blocking or reservation lists have been thoroughly discussed. Those suggested in this comment forum were not advocated by the IRT or others for several reasons. There is not a one-to-one mapping between trademarks and possible TLD strings: the same string can be a trademark in multiple classes of goods or services, and in multiple jurisdictions. Also, trademarks may be registered abusively in some jurisdictions. For both these reasons, trademark lists could have the result of unreasonably blocking TLDs.

Another type of blocked list that did enjoy broader support (in the IRT for example) would be for “famous brands” or a Globally Protected Marks List. However, an intensive effort in the WIPO did not yield a Globally Protected Marks List. The Board agreed that ICANN should not devise a new type of trademark right absent authoritative imprimatur.

This analysis applies whether the blocking occurs before or after publication of the applied-for gTLD strings.

Increased refund for “defensive” applicants. The refund levels in the Applicant Guidebook were developed to discourage behaviors such as “TLD tasting” and track to actual costs. The structure was described in two explanatory memos (see <http://archive.icann.org/en/topics/new-gtlds/cost-considerations-23oct08-en.pdf>; <http://archive.icann.org/en/topics/new-gtlds/cost-considerations-04oct09-en.pdf>). It was considered likely that a higher refund percentage would encourage abusive activity, and the refund was set at 70% for a withdrawal after the application information is posted. A significant refund level is already available. It is unknown at what refund level we would see a marked increase in abusive applications: 80%, 90%, 100%? It is also unknown what level of investment to protect an interest would be considered satisfactory by a “defensive” applicant: \$50K, (the current) \$35K, \$25K, \$10K, \$0? No economic evidence is presented that rises to the level of justifying changing the approved Guidebook.

Batching order and a limited round. These items have been debated also. Additional classifications of TLDs have been avoided because they are susceptible to abuses and they require additional subjective analysis (leading to increased potential liability). Similarly, the GNSO debated limiting the new gTLD launch in some way other than rounds and by consensus determined that the approved model was appropriate.

A number of comments indicated that concerns about defensive registrations at the second level were more significant than top-level issues. Some of these comments also suggested blocking mechanisms and changes to existing rights protection mechanisms such as URS, PDDRP, and Trademark Claims. Although this was not the focus of this comment period, these comments are being recorded for consideration of additional steps that could be taken to address second-level issues.

General /Other

A. Summary of comments

Clarify Role of GAC Advice and GAC Early Warnings. Denmark is concerned that language in the explanatory text inviting public comments on defensive applications for new gTLDs will mislead trademark owners and others that GAC Advice and GAC Early Warnings will be used to protect intellectual property rights in individual cases when an application for a string potentially offends such rights. Denmark is also worried that this text will have trademark owners engaging their government to place an Early Warning or suggest a GAC Advice about their individual complaint. It is true that GAC members can raise concerns about any application to the GAC or to ICANN, but it is Denmark's perception that GAC Advice and GAC Early Warnings will be used primarily to advise and warn applicants and ICANN about cases that represent matters of principle and are related to general public policy issues. It is not customary for governments to intervene in civil cases between private parties. Denmark hopes that this clarification will help to avoid any confusion between the Objection and Dispute Resolution Process and the GAC Advice and GAC Early Warning processes. *Danish Business Authority (20 Mar. 2012)*

URS Implementation Advisory Group. ICANN needs to form an Implementation Advisory Group, similar to the one established for the Trademark Clearinghouse, so that all the implementation details raised by the URS can be considered and adequately addressed prior to its launch. *ICA (20 Mar. 2012)*

Strengthen and reinforce registry and registrar contractual responsibilities. The new RAA should require registrars and registries to place provisions in their terms of services that allow for sufficient discretion to address cybersquatting and abuse when advised of illegal activities. There should be stronger WHOIS authentication especially where domain names are registered through a "privacy service" and immediate revealing of the registrant's contact details to the trademark owner in case of infringement or other illegal activities. Registrars who register domain names on their website should warn potential registrants who search for a new domain name using a "domain name spinner" search tool that the name they are using may be similar to a third party's trademark and have them acknowledge when registering a domain name that they are not violating the trademark rights of third parties. *Verizon (29 Feb. 2012).*

Implementation improvements to new gTLD program should be addressed before strings are added to the root:

- Ensure that ICANN can enforce all registry restrictions and commitments made to potential objectors. Terms won't actually be enforceable unless they are included as part of the formal Registry Agreement. This loophole should be closed before the first applications are accepted, or ICANN risks breaking a critical promise made to governments (e.g., allowing early warnings and objections to proposed TLDs that may offend cultural, religious or national sensibilities) that are already skeptical of the multi-stakeholder model. *BC (27 Feb. 2012)*
- Ensure that this gTLD expansion includes TLDs serving multiple languages and scripts. It would be a missed opportunity—even a broken promise—if global users did not see multiple new IDN domains emerge from this first round of applications. ICANN should explore ways in addition to financial assistance to encourage applicants to offer additional versions of their gTLD in underserved scripts and languages (e.g. consolidated evaluation cost savings shared with applicants as an incentive). In the evaluation process, applicants who propose multiple language and IDN strings should not be penalized by strict string similarity tests that prevent additional linguistic versions of their own gTLD. *BC (27 Feb. 2012)*
- RPMs must be monitored and adjusted for effectiveness. These improvements should be explored:
 - manage the Trademark Clearinghouse centrally to ensure standardized, streamlined processes;
 - require Trademark Claims notices at all times, not just 60 days after launch;
 - require standardized Sunrise approach to minimize confusion and costs to registrants to participate in Sunrise in multiple gTLDs;
 - extend Sunrise for new gTLDs for mandatory 60 days (single-registrant TLDs could be excluded);
 - operate the URS initially as a sole vendor supervised by ICANN and monitor to see if names subject to a URS are rapidly re-registered by others; if so, further steps should be taken such as making these names ineligible for future registration. Create sanctions for accredited registrars/registries who violate such lists;
 - allow successful URS complainants to transfer or suspend the name, and such names should generate TM Claims notice for subsequent registrations;
 - if RPMs are not effective against cybersquatting and fraudulent registrations, ICANN should be ready to implement additional RPMs based on the TM Clearinghouse. *BC (27 Feb. 2012)*
- Amend the Registrar Accreditation Agreement (RAA) for registrars distributing names in new gTLDs. ICANN should require registrars to comply with the amended RAA in order to gain accreditation to distribute names in new gTLDs. *BC (27 Feb. 2012)*

- Review criteria for community facing TLDs to avoid sending such applications to auction particularly for non-profit and charitable organizations. BC (27 Feb. 2012)
- Review conditions under which a trademark might be sent to auction mechanisms. BC (27 Feb. 2012)
- Require validation of WHOIS data for new gTLDs. BC (27 Feb. 2012)
- Improve and modify the Communications Plan to focus more on information and mechanisms for those who do not want to operate a gTLD registry. BC (27 Feb. 2012)
- Regarding the Board commitment to a second round, the dates can be contingent on first round milestones and adjustments, but the commitment must be firm enough to show potential applicants that they can obtain a gTLD soon enough to match competitors or participate in emerging trends. BC (27 Feb. 2012)

ICA tends to favor the BC proposal that the URS initially be administered by a sole vendor. Whether run by a sole vendor or multiple entities, the URS must be priced at its true cost to assure that only well-qualified entities participate and to prevent cross-subsidization of well-moneyed trademark interests by other ICANN constituencies. The URS provider should be subject to a binding contract clearly stating the limits of its powers and providing ICANN with a full and flexible range of enforcement mechanisms to ensure compliance. *ICA (20 Mar. 2012)*

ICA tends to favor the BC proposals to (1) consider placing domains suspended as a result of URS on a “do not re-register” list; and (2) implement a “notice and takedown” process by ICANN-accredited registrars. Both of these proposals should not be made in a comment process like this but should be considered through the standard multi-stakeholder process with broad community discussion and Board approval. *ICA (20 Mar. 2012)*

Terminate the new gTLD program.

It is questionable whether ICANN is opening up these comment periods in good faith, or whether these are distractions to pretend ICANN is “listening” to the public while staff and insiders proceed with predetermined outcomes. The public opposed new TLDs by a great margin. The new TLD program should be terminated so that further negative value to the community does not occur. ICANN should go back and present true options to the public regarding new TLDs. By continuing to ignore the public’s wishes, ICANN is causing DNS instability. ICANN is no longer a trusted custodian of the DNS and its damaging plans must be opposed. *G. Kirikos (7 Feb. 2012).*

The new gTLD program is a push by a few registrars to drum up more money from registrations at the expense of the Internet as a whole. The call for new gTLDs has come from registrars, not the Internet community at large. We are not going to run out of names in .com or any other old gTLD in the foreseeable future. Therefore, get rid of the new gTLDs; the only people they benefit are the registrars. *M. Bauer (7 Feb. 2012).*

Negative impact of new gTLD program on organizations. While GAC did raise the issue of the Red Cross and International Olympic Committee, there are many other organizations needing to protect their names and they are trapped by ICANN's new season of hunting whose main purpose is to double or triple ICANN's revenues. If an organization does not apply for a gTLD it will be obligated forever to spend time monitoring to see if anyone is applying for its name. ICANN has created instability in the world and is creating taxation on and burdening resources of honorable organizations. *E. Porteneuve (27 Feb. 2012)*

Opposition to URS imposition on .com. ICA unalterably opposes, on substantive grounds and because it would usurp the GNSO Council policymaking role, the suggestion (made by a former President of ICANN's IP constituency) that ICANN should impose the URS on VeriSign for .com domains as ICANN negotiates a renewal of VeriSign's registry operator contract this year. Any consideration of URS for incumbent gTLDs, especially .com, should only occur within the full PDP context. If trademark interests wish to have their concerns about the UDRP addressed, then they should join with ICA urging the GNSO to reconsider its decision to defer initiation of a UDRP reform PDP for more than two years. *ICA (20 Mar. 2012)*

B. Analysis

A comment provided input with regard to GAC procedures, indicating that it is expected that GAC Advice and GAC Early Warnings will be used primarily to advise and warn applicants and ICANN about cases that represent matters of principle and are related to general public policy issues. The comment indicated that it would not be customary for governments to intervene in civil cases between private parties.

Comments were also received concerning topics such as contractual compliance, the Uniform Rapid Suspension (URS) service, and the rationale for the New gTLD Program in general. These have been well discussed in previous comment periods and analysis during the development of the program (see <http://newgtlds.icann.org/en/about/historical-documentation/matrix-comment-summaries-analyses>).

RESPONDENTS

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