

March 7, 2013

Dear Dr. Steve Crocker, Chairman of the Board
Mr. Fadi Chehadé, President & CEO
Mr. Cherine Chalaby, Chair of the New gTLD Committee
Internet Corporation for Assigned Names and Numbers (ICANN)
12025 Waterfront Drive, Suite 300
Los Angeles, CA 90094-2536
USA

Dear Dr. Crocker, Mr. Chehadé, and Mr. Chalaby:

This is an objection to closed generic TLDs from Rakuten, Inc.

Rakuten, Inc. (JASDAQ:4755), is one of the world's leading Internet service companies, providing a variety of consumer- and business-focused services including e-commerce, eBooks & eReading, travel, banking, securities, credit card, insurance, e-money, portal and media, online marketing and professional sports .

Rakuten is expanding globally and currently has operations throughout the Americas, Europe, Asia and Oceania serving more than 78 million members worldwide.

Founded in 1997, Rakuten is headquartered in Tokyo, with over 10,000 employees and partner staff worldwide, and 40,000 worldwide merchants using our service platform.

We are deeply concerned about the current situation of applications which include closed generic TLDs and use these descriptive terms which are paramount importance to all stakeholders in related industries. They are as follows,

“.APP, .AUTO, .AUTOINSURANCE, .AUTOS, .BANK, .BASEBALL, .BLOG, .BOOK, .BUY, .CALL, .CARINSURANCE, .CARS, .CASINO, .CLOUD, .COOKINGCHANNEL, .COUPON, .DEAL, .DRIVE, .FILM, .FOOD, .GIFTS, .HOTEL, .INSURANCE, .LIFEINSURANCE, .MOTO, .MOTORCYCLES, .MOVIE, .MOVISTAR, .MUSIC, .TOUR, .PAY, .SALON, .SAVE, .SHOP, .SHOW, .ポイント(Point in Japanese), .ストア(Store in Japanese), .セール(Sale in Japanese), .ファッション(Fashion in Japanese), .書籍(Book in Japanese), .通販(Mail-Order in Japanese).”

According to ICANN's vision, "one world, one Internet," we deeply agree and believe the Internet is a place for all human-kind.

However, there are 3 main opinions regarding the current threat.

1. Could cause an anticompetitive threat
2. Could cause the invasion to the free and equal Internet industry
3. Could cause detriment to Internet users' interests

1. Could cause an anticompetitive threat

Defining "generic terms", in a common manner, indicate the common name of the goods or services. One portion of the new gTLDs applications include generic terms associated with the broad market. The applicants claim to use these generic strings exclusively among their organization. These generic strings if used as gTLDs are common object for all human-kind and should not be the sole object of a private firm.

Because generic terms are usually used as a kind of mark in the distribution and transaction in the market, everyone needs to use them and they should be open to all people. Moreover, because a domain is owned almost permanently by a person as long as he/she renews it, it is, against all persons' will, substantially admitted to use the domain almost permanently and exclusively.

In addition, a domain system provides neither the Trial for invalidation nor Trial for rescission as the clearly fixed procedure, unlike a trademark system. We are deeply concerned for the fear of inhibition to make a fair competitive environment with the use of these generic strings for new gTLD.

Deep contemplation should be given at this stage for the applied-for new gTLDs including generic terms associated with the broad market. Let us dare to say that the above-mentioned procedures need to be adopted.

2. Could cause the invasion in the free and equal Internet industry

We believe that the development of the Internet can be heavily relied upon, free information sharing within all levels; which has brought healthy competition to birth true innovation. As a result, people and organizations have been empowered and society as a whole has benefitted from the power of the Internet.

To ensure the healthy development of society and the growth of a fair Internet industry, we believe that a firm privately owning generic strings as domains does not contribute to the development of society and the growth of a healthy industry.

3. Could cause detriment to Internet users' interests

There are 2 types of domain users, gTLD users and end-users. For gTLD users, this new gTLD application could be a great opportunity to use gTLDs. However, the use of the gTLDs can be decided by each applicant's own rule. For end-users, if ICANN allows closed generic TLDs to proceed; the end-user's freedom of enjoying benefits from the Internet will also become restricted. Choice is what end-users want, not filtered information from a specific company.

In addition to the concerns detailed above, applications for closed generic TLDs, should not be allowed since they are inconsistent with ICANN's Code of Conduct and New Registry Agreement such as "Section 1 of the Code of Conduct", "Section 2.9 of the New gTLD Registry Agreement" and "Section 6 of the Code of Conduct".

In conclusion, we suggest 2 options to keep a free fair internet industry. First, we should not allow the applications to progress further and the application fees should be refunded if the applicants turn down the applications. Secondly, the closed form system (which prevents other organization from use and changes the industry to a monopolistic system) for important industry terms should be changed to an open form system (where all entities have the right to access a system of common registrations).

We hope that you will consider these perspectives to keep the Internet fair when launching the gTLDs.

Yours Sincerely,
Rakuten, Inc.