

Staff Report of Public Comment Proceeding Template (v4.0)

Modification of Domains Protected Marks List Service			
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Prepared By:	Global Domains Division		
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		Announcement	
		Public Comment Proceeding	
		View Comments Submitted	
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Section I: General Overview and Next Steps			
General Overview			
<p>This public comment period sought community input on the proposed amendment to modify Donuts Inc.'s (Donuts) Domains Protected Marks List (DPML) service across all top-level domains (TLDs) in its portfolio. The modification to the service adds the following provision: <i>"In some instances, approval from the applicable DPML holder may be required for a third party with the same trademark to register the blocked name."</i> This amendment is intended to implement the request submitted by the registry operator via the Registry Services Evaluation Policy (RSEP) process to modify its DPML service.</p>			
<p>The ICANN organization reviewed the Donuts proposal as required by the Registry Services Evaluation Policy (RSEP) and determined it does not raise significant competition, security or stability issues. The proposed modification to the service requires an amendment to the respective registry agreements. Following this public comment period on the proposed amendment, the ICANN org has reviewed and taken into account the comments received as described in the Analysis of Comments below.</p>			
Next Steps			
<p>The ICANN org appreciates all comments submitted during this public comment forum and thanks the groups and individuals who participated. As a reminder, ICANN's role as it relates to this public comment is defined by the Registry Services Evaluation Policy developed through ICANN's consensus policy development process. The ICANN org will take all comments into consideration when deciding whether to approve the proposed amendment.</p>			
Section II: Contributors			

At the time this report was prepared, a total of five (5) community submissions had been posted to the forum. The contributors are listed below in chronological order by posting date with initials noted. To the extent that quotations are used in the foregoing narrative (Section III), such citations will reference the contributor's initials.

Organizations and Groups:

Name	Submitted by	Initials
Business Constituency	Steve DelBianco	BC
VeriSign, Inc.	Philip S. Corwin	VRSN
Group of law professors and practitioners ¹	Kathy Kleiman	GLPP
Electronic Frontier Foundation ²	Mitch Stoltz	EFF
Donuts Inc. ³	Crystal Ondo	DNT

¹ In its [submitted comment](#), this group is self-described as “law professors and practitioners collectively with many years of experience teaching national and international trademark law and practicing trademark and domain name law.”

² The comment from the Electronic Frontier Foundation was submitted 2 October 2018 after the close of the comment period on 24 September 2018. ICANN accepted this comment and considered it in its analysis.

³ The comment from Donuts Inc. was submitted on 3 October 2018 after the close of the comment period on 24 September 2018 in response to comments received.

Section III: Summary of Comments

General Disclaimer: This section intends to summarize broadly and comprehensively the comments submitted to this public comment proceeding but does not address every specific position stated by each contributor. The preparer recommends that readers interested in specific aspects of any of the summarized comments, or the full context of others, refer directly to the specific contributions at the link referenced above (View Comments Submitted).

The ICANN org received five (5) comments from the community regarding the Modification of Domains Protected Marks List service, three before the comment period deadline and two after the close of the public comment period. These comments generally fall into the following categories, which are summarized below in further detail:

1. Support for the service and appreciation for the clarity resulting from this modification
2. Process-related comments regarding the origins of Donuts' DPML service and modification
3. Comments on the scope of the DPML service relative to trademark law

1. Appreciation for the clarity resulting from this modification

The Business Constituency (BC) submitted a comment to share its appreciation for the “clarity that this modification will bring to the operation of the Domains Protected Marks List (DPML) service.” Furthermore, the BC indicates its support for the DPML service as it assists rights holders in protecting “trademarks against abusive registrations and the resultant consumer confusion and deception that such registrations can cause.” The BC believes that the DPML service helps “maintain a clean online environment for all.”

2. Process-related comments regarding the origins of Donuts' DPML service and modification

Two process issues were raised: (a) a comment concerning an apparent violation of Donuts' Registry Agreement over the past two years and (b) a comment concerning the way in which Donuts' DPML service was initially adopted:

(a) Verisign (VRSN) notes its concerns that “Donuts has been offering the very service on which public comment is now being sought for the first time for at least the past two years, and doing so in apparent violation of its current registry agreements.”

(b) The group of law professors and practitioners (GLPP) points to the history of the “protected marks list” or “block list.” This concept “was roundly and loudly rejected by Stakeholder Groups of the GNSO and Advisory Committees when presented as an idea of the Intellectual Property Constituency in 2009” and was “expressly” not included in the rights protection mechanisms for New gTLDs that were adopted by the GNSO and ICANN Board. GLPP comments that “during the chaotic period of New gTLD applications, Donuts slipped the protected marks list into its individual commitments – which were not reviewed by the public or ICANN’s Legal Staff.” The comment states that Donuts’ DPML service was “adopted without any discussion of the free expression implications, the due process restrictions, and the violation of the fairness and balance of trademark laws across the world.”

Donuts Inc. (DNT) also commented on the origins of its RSEP request, the scope of the RSEP process, and the purpose of the comment period.

- In response to VRSN’s comment on the genesis of the RSEP request, DNT states that “Donuts and ICANN have had a different legal interpretation of the RSEP requirements and we agreed to file the underlying RSEP to resolve the good-faith disagreement.”
- DNT noted that “ICANN’s RSEP review of a proposed Registry Service, or modification thereto, is limited in scope to determining whether the Registry Service raises any security, stability or competition concerns.” After determining there were no security, stability or competition concerns, ICANN posts the proposed changes to the gTLD Registry Agreement for public comment. DNT states the purpose of the public comment “is to provide the community an opportunity to weigh in on whether the proposed amendment appropriately encapsulates the new or modified service. It is not intended to be a community forum on the popularity of the service. In this case, it is of note that the proposed amendment language was not discussed or challenged by any of the commenters.”
- Furthermore, DNT states that instead of comments focused on the proposed amendment language, “the comments focused on the substance of any trademark protection service and not on the language of the specifically proposed amendment.”

3. Comments on the scope of the DPML service relative to trademark law

VRSN, GLPP, and EFF raised concerns over the scope of this service as it relates to trademark law. VRSN suggests additional review before such a modification should be approved while GLPP and EFF believe the ICANN org should reject the proposed amendment.

- VRSN “believe[s] that this registration blocking aspect of the new DPML Plus service appears to go beyond the bounds of recognized trademark law and therefore should be subject to further study before it is approved. Trademarks offer important protections, restricted to the nation in which the trademark was registered and for a particular category[ies] of goods and services, and generally do not permit one owner of a mark to block legitimate activities of another entity with rights in that same mark.”
- VRSN also states that “trademarks offer important protections, restricted to the nation in which the trademark was registered and for a particular category[ies] of goods and services, and generally do not permit one owner of a mark to block legitimate activities of another entity with rights in that same mark.” Furthermore, VRSN states its view that “allowing one trademark owner to deny the use of another trademark owner’s rights” in the DPML plus service “goes beyond the protections of trademark law, and is at odds with the general rationale of the new gTLD program, which is to enhance consumer choice and competition through increased availability of gTLDs available for domain registrations.”
- GLPP views this modification to the DPML service as a “proposal to allow trademark owners to massive overreach the scope and limits of their trademarks.” GLPP highlights “the competitive

implications of Donuts' proposal are enormous – with dramatic and negative implications for those seeking to register domain names – registrants” and urges the ICANN org “to reject this proposed amendment as completely unwarranted by trademark law and outside the bounds of any trademark protection.”

- GLPP points out that the current rules of Donuts' DPML service “are not only consistent with the balances of existing trademark law, but with the goals of the New gTLD program – to break the artificial scarcity of top level domains and open a wide range of New gTLDs to serve many communities, groups, industries and activities.” However, Donuts' proposed modification would allow Donuts “to sell priority on the protected marks/block list to whichever trademark owner pays them the most, thus keeping out all other legitimate trademark owners and domain name registrants.” GLPP believes this change “would allow Donuts to give a trademark owner the unwarranted monopoly on the trademark [...] across 300+ gTLDs.” In its rationale, GLPP provides the example that “Donuts is proposing to allow one trademark owner – e.g., Princeton University – to block all other “Princetons” from registering domain names in the Donuts gTLDs.” With that example in mind, GLPP explains “the basic principles of trademark law bar a single person or company from “owning” a word or term. A trademark is a limited grant to use a word, term, logo for a certain category of goods and services and in a certain jurisdiction.” GLPP argues that “such monopolization of basic words, terms and names is completely inconsistent with trademark law” and urges ICANN to “deny this request as outside ICANN's narrow scope and mission, beyond the bounds of trademark law, and outside any reasonable control that registries should exercise over second level domain names.”
- The Electronic Frontier Foundation (EFF) shares GLPP's view of these basic principles of trademark law and states “this change would grant a group of trademark holders unprecedented power over domain registrations.” Furthermore, EFF states “these limits on the rights of trademark holders are critical safeguards for free speech and for competition.” EFF views this modification as enabling “a broad form of cybersquatting” by allowing “trademark holders to prevent domain names from being used in lawful ways.” EFF ultimately argues that “ICANN should defend the key safeguards of public rights by rejecting Donuts' proposal.”

DNT responded to the trademark concerns raised during the comment period as it saw “a lack of understanding of the DPML service.”

- DNT offered an explanation of the DPML service as it relates to registrations: “Domain name registrations are provided by their nature on a first-come-first-served basis to the public. There is nothing to prevent someone from registering a single term across all available gTLDs. Once a registration is in place, no one else can register the same domain; it's effectively blocked for use by others and may only be used by the registrant. In this regard, the blocking of domain names through DPML functions in the same manner as a registration. There is no obligation under the RA or any applicable law that a registry make a registered or blocked name available for use by another party. At any point in time, a trademark holder may register its name in every available gTLD, while another trademark holder of the same mark would be prevented from doing so. Thus in this regard, a DPML block is no different than a registration.”
- DNT directly commented on the concept raised by GLPP and EFF that trademark law bars a single person or company from owning a word or term. According to DNT, “DPML and DPML Plus do not enable any of those entities to “own” a single word in their trademark (such as “Princeton”) at the expense of the others. Even if they had trademark rights to the word “Princeton,” only one entity would be able to register or block the name. Again, blocked names are no different than registrations in this regard.”
- DNT also responded to concerns raised by VRSN, GLPP, and EFF that the DPML service allows overreach of trademark holders. According to DNT, “the DPML service does not give

unfettered trademark rights. The DPML service is subject to a DPML dispute resolution process managed by a third-party provider and available to anyone wishing to challenge a party's use of the DPML service."

Section IV: Analysis of Comments

General Disclaimer: This section intends to provide an analysis and evaluation of the comments submitted along with explanations regarding the basis for any recommendations provided within the analysis.

The ICANN org appreciates all the comments and suggestions submitted to the public forum for the Modification of Domains Protected Marks List service. The analysis of comments is grouped into the same sections as in the summary of comments above with the addition of the Conclusion and Next Steps section:

1. Support for the service and clarity established in the modification
2. Process-related comments regarding the origins of Donuts' DPML service and modification
3. Comments on the scope of the DPML service relative to trademark law
4. Conclusion and Next Steps

1. Support for the service and clarity established in the modification

The ICANN org notes the BC's support for Donuts' DPML service as it relates to rights holders in efforts to protect trademarks against abuse as well as the BC's appreciation for clarity of the DPML service through the modification in the proposed amendment. The ICANN org thanks the BC for the time it took to share its input.

2. Process-related comments regarding the origins of Donuts' DPML service and modification

As noted in the summary section above, two process issues were raised: (a) one comment concerning an apparent violation of Donuts' Registry Agreement over the past two years and (b) a second comment concerning the way in which Donuts' DPML service was initially adopted:

(a) VRSN raises a concern that Donuts was in violation of its Registry Agreement over the past two years. The ICANN org thanks VRSN for its comment and offers as background that this began as a Contractual Compliance matter when the ICANN org noticed Donuts was offering a more expanded DPML service than the one that had been approved by the ICANN org. Ultimately, the ICANN org and Donuts agreed to resolve the issue through the RSEP process at ICANN's request with the purpose of analyzing the modified service. After the proposal passed the security, stability, and competition checks, ICANN determined the amendment should go to public comment because of the potential impact it could have on trademark holders and other third parties.

(b) GLPP raised a concern that the Donuts' DPML service was adopted without the necessary review by the public or ICANN. The ICANN org appreciates GLPP's concern and note that Donuts submitted its original requirements for the DPML service as part of its applications to the New gTLD Program (example for .guru [available here](#)) as well as through the [Public Interest Commitment \(PIC\) Specifications](#) process in 2013 (example for .guru [available here](#)). Each of these required a comment period:

- All applications in the New gTLD Program were made available for comment. From the [4 June 2012 Applicant Guidebook](#), Section 1.1.2.3, the Application Comment period started "at the time applications are publicly posted on ICANN's website." It intended to "allow time for the community to review and submit comments on posted application materials (referred to as "application comments"). The guidelines stated: "*the comment forum will require commenters to associate comments with specific applications and the relevant panel. Application comments received within a 60-day period from the posting of the application materials will be available to the evaluation panels performing the Initial Evaluation reviews.*" Comments were received

during the Application Comment period and submitted to the third-party evaluators. Donuts' applications were reviewed and approved, inclusive of the DPML service.

- The PIC process required applicants to submit PIC Specifications by 5 March 2013. The applicant-specific PICs were available for public review from 6 March to 5 April 2013 and comments, if any, were made publicly available. A [Frequently Asked Questions webpage](#) outlines the rationale for the PIC submission and review timeline: *“the schedule is expected to allow for PIC Specifications to be submitted prior to the close of the objection period (13 March 2013). The schedule also allows for public review of the PIC Specifications, including review by the GAC, as soon as possible in advance of the Beijing meeting (7-11 April 2013). This expedited timeline is required in order to ensure that ICANN is delivering the program within the timeframes previously identified.”* Even if PIC Specifications were submitted outside of this timeframe, they would still be posted for a 30-day comment period. No comments were received regarding the DPML service during the comment period for Donuts' submitted PICs.

Donuts followed the above procedures in the submission of its applications in 2012 and voluntary PICs in 2013. Voluntary PICs were incorporated into Specification 11 of the Registry Agreement and, if ICANN determined a PIC to be a Registry Service, the voluntary PIC was also added to Exhibit A of the Registry Agreement. Furthermore, the ICANN org took these factors into consideration in determining whether public comment was required for the modification to the DPML service.

GLPP comments that the concept of a “protected marks list” or “block list” was rejected by Stakeholder Groups of the GNSO and Advisory Committees in 2009 and left out of the rights protection mechanisms for New gTLDs that were adopted by the GNSO and ICANN Board. The ICANN org appreciates this comment, but notes there are no policies prohibiting a registry operator from establishing such a list. Furthermore, the Registry Agreement (Section 2.6) gives registry operators the discretion to reserve domain names of their choosing.

3. Comments on the scope of the DPML service relative to trademark law

The ICANN org notes two themes in the comments on the scope of the DPML service relative to trademark law: (a) arguments that the service goes beyond the protections of trademark law and (b) concerns that the service is at odds with the general rationale of the New gTLD Program.

(a) GLPP, EFF, and VRSN raise concerns that the DPML service puts too much power in the hands of trademark holders, essentially giving them ownership of a term within Donuts' TLDs. The ICANN org appreciates the concerns raised by these comments and notes it is not within the scope of the [Registry Services Evaluation Policy \(RSEP\)](#), developed through ICANN's consensus policy development process, to analyze and comment on the details of trademark law as it relates to the DPML service. After determining no security, stability or competition issues were raised during the RSEP process, the ICANN org identified the impact of this service on registrants and the need to solicit community feedback on the content of the proposed amendment.

DNT explains the DPML service functions similarly to the industry's registration practices of a first-come first-serve basis. Ultimately, this service offers an alternative method to the trademark owner practice of registering and thereby blocking protected labels. DNT states in its response to comments: “Domain name registrations are provided by their nature on a first-come-first-served basis to the public. There is nothing to prevent someone from registering a single term across all available gTLDs. Once a registration is in place, no one else can register the same domain; it's effectively blocked for use by others and may only be used by the registrant. In this regard, the blocking of domain names through DPML functions in the same manner as a registration.” The ICANN org notes again that registry operators have the discretion to reserve any domain names within its operated TLDs per the Registry Agreement, which is ultimately a similar function to this DPML service.

Similar arguments to those of GLPP, EFF, and VRSN were raised regarding Sunrise and Trademark Claims requirements in the new gTLD program, but these were ultimately required in all new gTLDs (see [Applicant Guidebook](#) Module 5, Section 5.4.1 and [Specification 7](#) of the Registry Agreement). These claims requirements provide a similar opportunity for a particular trademark holder to register and, in some cases, block relevant trademark terms across all new gTLDs.

In addition, the ICANN org recognizes EFF's concern that the DPML modification enables "a broad form of cybersquatting" by allowing "trademark holders to prevent domain names from being used in lawful ways." While the DPML service does not suggest it intends to enable this type of cybersquatting, the ICANN org notes the available mechanism for concerns about potential misuse of the service. Donuts' DPML dispute resolution process, "managed by a third-party to anyone wishing to challenge a party's use of the DPML service" as identified in DNT's response, provides a system of checks and balance for this type of service. In certain limited cases, the [Public Interest Commitment Dispute Resolution Procedure](#) may be relevant as well.

(b) The second theme raises concerns that the DPML service is at odds with the general rationale of the new gTLD program, which intended to enhance consumer choice and competition through increased availability of gTLDs available for domain registrations. Comments from VRSN and GLPP suggest the DPML service enables a trademark owner to have a "monopoly" on a term within Donuts' TLDs.

It should be recalled that the ICANN org reviewed Donuts' proposal pursuant to the [RSEP process](#) and determined it does not raise significant security, stability or competition issues. The ICANN org agrees with the comment that the New gTLD Program meant to offer more choice and competition within the industry. The ICANN org notes that Donuts operates 238 new gTLDs out of more than 1,200 new gTLDs now on the market. Registrants interested in domain names that may be blocked by the DPML service still have the choice of domain names in many TLDs beyond those operated by Donuts.

The ICANN org recognizes the variety of stakeholder interests noted in the comments, including expansion of consumer choice and competition brought on by the New gTLD Program as well as interests of trademark holders who have various options for protecting their marks.

4. Conclusion and Next Steps

The ICANN org appreciates all comments submitted during this public comment forum and thanks the groups and individuals who participated. As a reminder, ICANN's role as it relates to this public comment is defined by the [Registry Services Evaluation Policy](#) developed through ICANN's consensus policy development process. The ICANN org will take all comments into consideration when deciding whether to approve the proposed amendment.