



## NEW gTLD Program

### Comment and Analysis on IRT Report: Post-Delegation Dispute Mechanism and other Topics

#### INTRODUCTION

The purpose of this posting is to provide a summary and analysis of Public Comments on the Implementation Recommendation Team's (IRT) proposal for a Post-Delegation Dispute Mechanism (PDDM) – now referred to as Trademark Post-Delegation Dispute Resolution Procedure (PDDRP).

Listed below is a summary of comments on the IRT's PDDM that were received through public sessions held in Sydney, New York and London, as well as those comments received through ICANN's Public Comment Forum.

The full text of comments submitted to ICANN's Public Comment forum in response to the IRT Final Report (29 May 2009-07 July 2009) may be found at <http://forum.icann.org/lists/irt-final-report/>. And a full listing of comments received during the public sessions in Sydney, New York and London can be found at in a companion document to this posting.

Following the summarized comments is an analysis and discussion of the proposal and feedback from the global Internet community, as well as a balancing of those interests.

A proposed Trademark PDDRP is published at in a companion document to this one for community input, alongside Version 3 of the Applicant Guidebook.

#### KEY POINTS:

- Contractual compliance remains the responsibility of ICANN and ICANN will continue to pursue its contractual compliance activities and enforcement for all of its contracted parties.
- The existence of, and agreement to adhere to, a Trademark PDDRP does not somehow confer third-party beneficiary rights upon non-signatories to the Registry Agreement.
- ICANN is committed to continuing the consultation process to further understand the interests of all community members and reach the best solutions possible - including the legitimate protection of trademark interests in a global context.

## SUMMARY OF COMMENTS

### Trademark Public Consultations: Sydney, New York, London

#### **PDDM focus**

PDDM is for systematic cybersquatting that occurs on the second level. It does not impose on registries a monitoring requirement about registrations. It has to be systematic cybersquatting where there is a bad-faith intent to profit by the registry itself. *J. Neuman*.

#### **PDDM is unnecessary**

It is better to leave enforcement in the hands of ICANN rather than have a third party involved. The trend of third party involvement in enforcement is a concern. If the problem is ICANN enforcement, let's do something in ICANN to get contracts enforced, and not hand things to third parties. *R. Tindal*. WIPO believes in the preventive effect of the PDDM and believes it is needed. *E. Min*.

#### **ICANN enforcement of contracts**

To be clear, ICANN has stepped up enforcement efforts and there is no interest in having contracts that are not enforced. *P. Dengate Thrush*. With regard to ICANN staff and the enforcement process, for technical questions such as if there is trademark abuse, it may be more efficient to ask a neutral panelist who has expertise in the field to make that determination and make a recommendation to ICANN for its consideration. *E. Min*. AIM supports the PDDM. The history of ICANN enforcement is not good. *P. Sheppard*. ICANN should be given the tool of graduated sanctions to bolster its enforcement capabilities. The work done here should feed into a policy development process that could apply to all the existing contracted parties which would presumably have a much broader and useful effect. *J. Buchanan*. The recommendation was that graduated sanctions are not supposed to apply only in this situation, but that ICANN should in its contracts have graduated sanctions. The recommendation was silent on when those sanctions could be exercised. *J. Neuman*. There is a graduated sanctions program for registrars in the registrar accreditation agreement the ICANN Board has approved. WIPO is recommending a similar graduated sanctions procedure for registries as well.

#### **Standard; Third Party Involvement**

The PDDR is intended to address bad actor registry operators who act inconsistently with representations they have in the registry agreement or if they act in bad faith with intent to profit from systemic cybersquatting. Third parties submit a claim to ICANN which then is required to investigate it and will take enforcement action if there is a breach of the registry contract. If the claim is unresolved, then the third party can initiate the PDDR process which will entail a comprehensive arbitration-type process with an investigation by a neutral third party and a panel decision. Standing is given to the party that is actually harmed by the activity. *J. Neuman*.

#### **Post delegation dispute resolution**

This raises concern--ICANN should police its own contracts. *A. Van Covering*. We have strong objection to the post delegation dispute resolution mechanism as drafted. *C. Climen*.

### **Apply to all TLDs**

Make this retroactive to all current and future TLDs. See comments posted by Danny Younger in response to travel request to offer 1 -x 2 - character domain names. Perfect example of where post -delegation should be used. *Small Business*.

Again, this is important to provide deterrent effect on misconduct by registrars. To have the effect, the panel needs to have the ability to award remedies with real teeth. *D. Bernstein, Debevoise & Plimpton LLP—UDRP Panelist*.

### **Support with comments**

Need to protect against abusive practices of registries and cybersquatters and not overburden trademark owners' ability to protect their marks. Registrants should share more of the monetary burden. *Professional association*.

Support, as modified by our filings on the record. *P. Flaherty & M. McKeehan, Verizon—Large Corporation*.

### **Needs more work**

Needs more work on the business case analysis to determine costs/fees for resolution. *J. LeMan, Lord, Abbett & Co.—Small Business*.

### **Opposition**

This is a complete usurpation of ICANN's authority to administer its own contracts. *Registry*.

### **Standard; Third Party Involvement**

Demand Media supports the concepts in this RPM that a registry must perform consistently with its contractual obligations and with its proposal undertaking. Demand Media objects to the portion that provides third party beneficiary rights and uses words like "intent to profit" and "bad faith" and "manner of operation." These terms are inherently hard to quantify. Demand Media would like this area dropped—third parties should not be injected, and ICANN should be the one performing the compliance. We disagree with the view of some that ICANN is not doing a great job of making its contracted parties comply. If there is a problem the solution is for ICANN to increase its resources and its focus on compliance activities. *R. Tindal*.

### **Background on the post delegation dispute resolution mechanism**

It is intended to apply to situations where TLD registries are causing or materially contributing to trademark abuse —e.g., the registry is using the TLD for a purpose inconsistent with relevant representations made in the application phase such that trademarks are infringed; or when a TLD operator turns a blind eye to systemic cybersquatting in its domain instead of adopting appropriate mechanisms to counter such abuse. We are recommending that ICANN consider adopting this mechanism not only for registries but also an analogous procedure for registrars. We believe that having such a mechanism in place will have a deterrent effect that will guide all relevant actors toward more responsible conduct, to make registries and registrars mindful of their involvement in any trademark abuse occurring in their space. *Eun-Joo Min*.

### **Post-delegation dispute resolution mechanism (PDDR)**

The PDDR is intended to provide a way for complaints to be submitted to ICANN in situations where there are bad actor registry operators who act inconsistently with the representations made in their agreement or have bad faith intent to profit from systemic cybersquatting. Per the IRT proposal, ICANN would be required to investigate those complaints and determine if there

has been a breach of the registry agreement. If there is a breach then there would be enforcement similar to the remedies included in the Registrar Accreditation Agreement which the ICANN Board signed off on (e.g., monetary sanctions, suspension or termination of the registry agreement). If the issue is left unresolved or ICANN does not act on the complaint, then the third party can formally initiate the PDDR, which will require a more comprehensive arbitration process. It has to cause confusion with the complainant's mark—it's not intended to give a cause of action to any person or entity. The first applicable dispute is where the manner of operation or use of a TLD is inconsistent with the representations in a TLD application and such operation is likely to cause confusion with the complainant's mark. A second applicable dispute is for breach of the rights protection mechanisms that causes confusion to the complainant's mark. The third applicable dispute is that the manner of operation or use of the TLD exhibits on the part of the registry a bad faith intent to profit from the systemic registration of domain names which are identical or confusingly similar to the complainant's mark. This is not intended to obligate registries to do any monitoring, but it is intended to address the case where a registry may have a bad faith intent to profit from domain name registrations. In the PDDR a complaint is filed with a neutral provider which will then issue a decision and make a recommendation to ICANN on the remedy. There are also sanctions possible against the complainant if it is a case where the complaint was filed to harass the registry operator. A complainant would be barred from further filings if there are three separate occasions where a complaint is found to be without merit. There would be pretty extensive costs for filing this type of action. *J. Neuman*.

### **IRT Report Public Comment Forum**

**Proposal is problematic and should be dropped.** It takes contractual compliance out of ICANN's hands and forces third party review even when ICANN considers its vendor to be in full compliance. In addition, the IRT's proposed contract language is outside of the "picket fence" of what can be changed in a registry contract. The Guidebook objection process and the existing contract language already address the problems anticipated by the post delegation dispute mechanism. *ENOM (22 June 2009)*. This is an attempt by a single constituent body to inject itself into contract negotiations and/or disputes that may arise between ICANN and its various contracting registries and other service providers. *P.R. Keating (6 July 2009)*. This falls outside the IRT's mandate and should not be considered. *NCUC (7 July 2009)*. It is, at best, unnecessary and will be burdensome to registries. Registries are not and should not be viewed as trademark examiners. *RyC (6 July 2009)*. The best remedies for the sorts of problems identified are in courts of law, not in a new dispute resolution mechanism. *ALAC (7 July 2009)*.

**Privity of contract concern.** Unlike the draft report, the final IRT report made a dramatic shift to give rights to enforcement to entities that are not contract signatories –i.e., a benefit without obligation. The language in the draft report said "a post delegation dispute is a contract dispute between ICANN and the contracted registry", but the final report says "trademark owners should have the ability to trigger a proceeding against the Registry Operator." The final IRT report does not provide a basis to support the major shift in position, the need for this is unclear (see section 2.1) and the change is excessively one-sided. *R. Fassatt (5 June 2009)*. The PDDM would allow third parties with whom registries have no privity of contract to initiate claims against them, and would allow those third parties to use this remedy as a first, not a last, resort. Under ICANN procedures, registries have no relationship with registrants. Moreover, the IRT singles out registries for punishment, but it may be the registrars that are the cause of offending

registrations. In such instances, the registry should have the right to require that the registrar(s) be brought into the action and held accountable if a violation is found. *RyC (6 July 2009)*.

**Post-delegation dispute mechanism-burdens and roles.** The proposal puts registries in the position of policing registration of domain names, a function they are neither designed nor equipped to do. It seems to take responsibility from ICANN for policing its contracts and place the burden on trademark holders who have the case or knowledge to complain. *NAF (6 May 2009)*. RyC notes that WIPO suggested a “safe harbor” provision in the PDDM for registries. If not clarified and narrowed, the PDDM could upset the balance struck in existing law. ICANN should not require any registry to make a representation and warranty about third party rights infringement. Absent such affirmative representations and warranties, registries must not be liable for failure to screen, analyze, filter or otherwise monitor registrations. The PDDM lacks safeguards against frivolous and repetitive claims. If adopted the PDDM must have a process where ICANN vets claims and no claim should be allowed if ICANN finds that it lacks merit or substantially duplicates a prior unsuccessful claim. *RyC (6 July 2009)*.

**Preventive effect.** Further refinement of the procedure—such as more concrete development of the concept of “bad faith” and development of procedures such as effective time periods between different phases --should bear in mind its intended preventive effect. *WIPO AMC (19 June 2009)*.

**Bad Faith.** The requirement of showing bad faith would benefit from a list of several non-exclusive illustrative examples in the burden of proof area. *S. Donahey (1 July 2009)*. Creation of a non-exhaustive list of “bad faith” activities will have a deterrent effect on third parties who do not fully realize that their conduct is infringing other parties’ rights. *MARQUES (3 July 2009)*. The PDDM proposal would impose liability on registries for bad faith intent to profit, but fails to state what constitutes bad faith; this could expose registries to defense costs as a result of claims by aggressive trademark owners who file on the basis of mere registration of allegedly infringing domain names. There should be no bad faith component to the first come, first served automated process of taking registrations. *RyC (6 July 2009)*.

**Impact of registry declaratory relief filing.** Requiring the panel to suspend or terminate proceedings where a registry filed a declaratory relief action in a country where such claims don’t get to trial for many years leaves registries a loophole that will destroy the process and leave complainants no alternative but to pursue court actions that may ultimately result in unenforceable judgments. *S. Donahey (1 July 2009)*.

**Trademark Owners’ Option to initiate Post-Delegation Procedure separate from ICANN.** Trademark owners should have the option to initiate a post-delegation procedure separate from ICANN if ICANN’s initiation of a remedy proves inadequate in the given time frame. *WIPO AMC (19 June 2009)*.

**Analogous dispute resolution procedure for registrars.** An analogous dispute resolution procedure should be instituted regarding ICANN-accredited registrars. *WIPO AMC (19 June 2009)*.

**Support for proposal.** AIM supports the post delegation dispute mechanism at the top level. *AIM (23 June 2009)* The Post Delegation Dispute Mechanism is properly balanced to protect the interests of consumers and trademark owners from abuse by Registry Operators and to protect Registry Operators from abuse by trademark owners. *Microsoft (2 July 2009)*. *F. Drummond (3 July 2009)*. *Nestle (3 July 2009)*. *INTA IC (6 July 2009)*. *Com Laude (3 July 2009)*. *Regions (3 July 2009)*. *Yahoo! (6 July 2009)*. *Wrays (6 July 2009)*. *IPC (6 July 2009)*. ICANN has primary responsibility for enforcement of registry contracts, but a backstop procedure could be valuable. *Time Warner (6 July 2009)*. PMI supports the proposal but notes that it is unfortunate that ICANN apparently cannot be counted on to enforce its own rules and that a fee-paying system has to be set up. *PMI (6 July 2009)*. Verizon supports the PDDP and urges that it apply to registries and registrars, and that the third party be able to allege trademark abuse or registry and registrar misconduct (rather than having to prove a contractual breach). *Verizon (7 July 2009)*.

## ANALYSIS OF PUBLIC COMMENTS

### A. Is ICANN delegating its obligation to enforce contractual compliance?

Many have recommended that a Trademark related Post-Delegation Dispute Resolution Procedure (Trademark PDDRP) be implemented to resolve certain disputes relating to trademark rights that may arise after gTLD delegation. This suggestion has been well received. There are comments, however, that suggest implementation of such a rights protection mechanism (RPM) will take contractual compliance of the registry agreements out of ICANN's hands. The proposed Trademark PDDRP is designed to afford certain protections to trademark holders after delegation, it is not intended to relieve ICANN of any obligation it has to enforce registry agreements, nor does it give any other entity the right to enforce such agreements. Instead, the process envisioned is one in which the parties with the requisite expertise will be given authority to make factual findings about trademark rights as they relate to the operation of gTLDs. Contractual compliance remains the responsibility of ICANN and ICANN will continue to pursue its contractual compliance activities and enforcement for all of its contracted parties.

Contractual Compliance will pursue adherence to contract terms regarding infringements of rights in two ways. ICANN will monitor, audit and pursue complaints about registries regarding rights infringements cases. In the event that ICANN's investigation should discover that the registry operator is in fact in material breach of its contractual obligations, ICANN will utilize the various enforcement mechanisms contained within the applicable registry agreement. ICANN is also providing, through the post-delegation process, an avenue for complainants to pursue an independent determination that rights are being violated. Both paths are intended to provide a timely determination of complaint merits. Depending on the type of complaint – one path or the other might provide more timely relief. ICANN can advise complainers regarding how to best pursue their complaints.

Some comments have suggested that a Trademark PDDRP would be burdensome to registries that are not required to serve as trademark examiners and that courts of law, not a dispute resolution panel, should be tasked with adjudicating disputes of this nature. While the concerns about the impact on registry operators are understood, the IRT Final Report makes it clear that the intent is to provide RPMs deemed necessary to carry out the GNSO policy

recommendations. While RPMs can, at times, impose costs, they also help ensure that similarly situated applicants are treated similarly thus lending stability to the process. Also, there is a need for independent review of these claims, outside of ICANN. Creating an avenue for prompt and efficient resolution should reduce costs over time, not add to them.

B. Does the Trademark PDDRP create privity of contract issues?

There have been some concerns expressed that a post-delegation procedure confers third-party beneficiary rights upon non-signatories to the Registry Agreement. This is not the intent of the Trademark PDDRP. Indeed, one point that seems to be generally accepted, is that such a procedure should only afford trademark holders the right to proceed against registry operators who themselves have acted in bad faith, with the intent to profit from the systemic registration of infringing domain names (or systemic cybersquatting) or who have otherwise set out to use the gTLD for an improper purpose. Thus, the rights of a trademark holder to proceed against a gTLD operator for trademark infringement exist separate and apart from any contract between ICANN and a registry operator. The Trademark PDDRP simply provides a limited avenue in which to pursue rights that already exist. And, of course, nothing prohibits trademark holders from seeking redress for infringing conduct against any bad actor in other appropriate forums.

C. The Bad Faith Standard

Some comments have suggested that more concrete development of the bad faith standard, including developing an exhaustive list of factors, is required for the post-delegation procedure to have its intended preventive effect. It is understood that identifying a non-exclusive list of factors or illustrative examples might assist registry and/or operators in identifying that conduct which could result in liability. Caution should be exercised, however, given the sensitive nature of any infringement related activity. Currently, no such set of mechanical factors exists for UDRP proceedings. And there does not seem to be a reason to depart from this practice now. As such, while the UDRP factors can be used as a guideline for panelists, on balance, providing a hard and fast example does not seem to be appropriate. First, it would be a departure from standard practice to date. Second, it would be nearly impossible to achieve such a list. The decisions of the post delegation dispute resolution panel will be made available for public review so that as the body of precedent develops registries and registrars, as applicable, can tailor their conduct. But, as is the case currently for UDRP proceedings, there will not be any mechanical factors that are dispositive in any case. Each case will be determined by the specific facts and circumstances present in it.

D. Impact of Declaratory Relief Filing

Currently the proposed trademark PDDRP allows the panel to suspend or terminate proceedings if the registry files a concurrent proceeding in a different forum. This is a permissive standard, not a mandatory one. Comments have suggested that this impermissibly creates a loophole that would permit a registry to forum shop to a jurisdiction that will not bring a case to trial for years. Such a concern is understood. However, on balance, rather than require the dispute resolution panel to automatically suspend proceedings, the permissive standard should stay in place. There could be good reasons to continue on dual tracks, which the panel can certainly permit and any such abuse will be combated. There could be good

reasons to suspend, but the specifics will be left to the discretion and expertise of the particular panel under the particular circumstances on a case-by-case basis.

## GENERAL COMMENTS

### SUMMARY OF COMMENTS

#### Whois

**Privacy and other concerns.** The Telnic model of Whois that was agreed by ICANN represents a reasonable solution that respects the right to privacy of individuals and the legitimate concerns of those that have a genuine need to access the full data. The Telnic model of Whois should be implemented as a standard in all new contracts, regardless of where the registry is located. *P. Vande Walle (24 June 2009)*. *M. Neylon (6 July 2009)*. ALAC believes the .tel model is a good compromise and suggests that this be implemented in all new gTLDs, creating a coherent and similar Whois system. *ALAC (7 July 2009)*. The thick Whois model raises privacy concerns and may not be appropriate for all gTLDs, particularly where free speech considerations are an issue. *EFA (6 July 2009)*. A move to a thick Whois should not occur without a privacy analysis first taking into account national laws and international standards. *NCUC (7 July 2009)*. Further privacy analysis is needed—e.g. a 60 day public notice period allowing input from expert stakeholders on privacy. *ALAC (7 July 2009)*. The Whois RPM will conflict with privacy rights in many jurisdictions. Instead privacy companies should register with ICANN and escrow their data for ICANN verification purposes only, not third party use. *P.R. Keating (6 July 2009)*. The privacy concerns raised by some commenters are fully addressed by the availability of ICANN’s community-developed “Procedure for Handling Whois Conflicts with Privacy Law.” *COA (6 July 2009)*. *SIIA (6 July 2009)*. Adjustment and exceptions for protection of sources and for political speech are critical. These issues must be weighed against property interests. *V. McEvedy (7 July 2009)*.

**Thick Whois Should Be Adopted.** Pattishall McAuliffe strongly agrees with a thick Whois database in all new gTLDs and commends the staff recommendation for this. Access to accurate Whois data is necessary to take effective action against fraud online. *Pattishall McAuliffe (17 June 2009)*. *ENOM (22 June 2009)*. *Verizon (7 July 2009)*. *CADNA (7 July 2009)*. *AIM (23 June 2009)*. *INTA IC (6 July 2009)*. *IHG (2 July 2009)*. *IACC (2 July 2009)*. *Microsoft (2 July 2009)*. *Yahoo! (6 July 2009)*. *Nestle (3 July 2009)*. *COA (6 July 2009)*. *IPC (6 July 2009)*. *SIIA (6 July 2009)*. *IOC (6 July 2009)*. To make thick Whois most effective, private registration services must be prohibited. *MARQUES (3 July 2009)*. *PMI (6 July 2009)*. ICANN should urge the IRT to make a recommendation on the standardization of proxy registration services to minimize abusive behavior. *Com Laude (3 July 2009)*. *Regions (3 July 2009)*. *Telstra (6 July 2009)*. *IOC (6 July 2009)*. *INTA IC (6 July 2009)*. *M. Murphy (6 July 2009)*. *Experian (6 July 2009)*. *ECTA (6 July 2009)*. BBC supports the call for a review of proxy services at the earliest possible date and independent of the new gTLDs timetable. *BBC (6 July 2009)*. *UBS (6 July 2009)*. New gTLD registries must make a full set of “thick” Whois data available to the public (and this should be incorporated in the standard new gTLD registry agreement, with policies for ensuring data accuracy and enforcement with registrars and resellers) and ICANN should return to its initial goal of a single, centralized Whois database across all gTLDs and, to the extent possible, ccTLDs. *Time Warner (6 July 2009)*.



**Registry Agreement commitments.** Registry agreements should include commitments to require registrars to live up to Whois-related obligations, especially regarding operation of proxy or private registration services, if permitted in the TLD; enforcement of Whois data accuracy requirements; and provision of full registrar Whois services, including access to the Whois Data Problem Reporting System whenever Whois queries lead to false contact data. *IACC (2 July 2009).*

**Process.** Thick whois should be dealt with in a less urgent forum and in a wider context than the new TLD proceeding. *Wrays (6 July 2009).* COA intends to provide a more detailed proposal in further comments on the DAG to cover additional important Whois matters that the IRT timeframe did not allow the group to cover (e.g., inclusion in registry agreement of commitments requiring registrars to comply with Whois obligations, especially proxy/private registration services, if permitted in the TLD; Whois data accuracy enforcement; provision of full registrar Whois services). *COA (6 July 2009).* *IPC (6 July 2009).* *SIIA (6 July 2009).*

## ANALYSIS OF PUBLIC COMMENTS

Many commenters applaud the inclusion of a thick Whois mandate for all new registries. Critics of the proposed thick Whois mandate, however, have raised potential privacy concerns as a reason to require thin Whois only. Such privacy concerns have been, at least partially, been addressed with adoption of ICANN's community-developed "*Procedure For Handling Whois Conflicts with Privacy Law*" <http://www.icann.org/en/processes/icann-procedure-17jan08.htm> as a means of resolving potential situations where a registry operator's Whois obligations are alleged to be inconsistent with local legal requirements concerning data privacy. Additionally, the data that might be published by a thick registry is already public data as ICANN's Registrar Accreditation Agreement obligates registrars to provide publicly accessible data bases including registrant data.

Being able to access the thick data at both the registry and the registrar level could ensure greater accessibility of the data. For example, where the registrar Whois service might be experiencing a short- or long-term outage (in violation of the registrar's accreditation agreement) or where the registrar has implemented strong (or sometimes overly-defensive) measures to prevent large-scale automated harvesting of registrar data, thick Whois data at the registry level could be beneficial. Also, in the event of a registrar business or technical failure, it could be beneficial to ICANN and registrants to have the full set of domain registration contact data stored by multiple organizations (the registry, the registry's escrow agent, the registrar, and the registrar's escrow agent) instead of just two organizations (the registrar and the registrar's escrow agent).

With respect to registry commitments to comply with thick Whois, they will do so when they sign the new registry agreement, which will include a thick Whois requirement, and in the new gTLD application, the registries will be required to explain how they will maintain a thick Whois database.

## Algorithm

**Support for algorithm.** The proposal is acceptable and would not infringe on fair usage, and seems to provide a better balance during the initial evaluation. *ENOM (22 June 2009)*. AIM supports the IRT recommendation and urges that the further analysis include the three tests of visual, aural and concept. *AIM (23 June 2009)*. Expansion of the string confusion analysis in the initial evaluation process to include similarity in sound and meaning will improve the accuracy of the assessment and should increase the number of strings that clear the initial examination process. *Microsoft (2 July 2009)*. *Nestle (3 July 2009)*. *Yahoo! (6 July 2009)*. *MARQUES (3 July 2009)*. *Regions (3 July 2009)*. *Wrays (6 July 2009)*. RyC agrees with the IRT and notes that it states that an applicant should always have the ability to ask for reconsideration if its application is thrown out because of string confusion. *RyC (6 July 2009)*.

**Criticism of algorithm.** Evaluation of string confusion must be limited to visual similarity and **not** be enhanced to include “aural or meaning.” This is a very subjective area that would open the door to endless disputes. *ALAC (7 July 2009)*.

## ANALYSIS

Some commenters support the IRT’s recommendation to expand the string confusion’s reach to aural or meaning and others do not. While it may seem that expanding the reach of the algorithm will help clear up confusion if someone is visually confused, commenters have noted that doing so will add a subjective element into the mix. Of course, the objection based process for string confusion is available if additional safeguards are desired. Indeed, it has also been argued that once confused for one reason, nothing will “un-ring that bell.” Thus, given that visual similarity can be objectively tested more easily than sound or meaning, it is planned for now that no change will be made to the scope of the similarity check.

### Other/General

**Timing concern.** The IRT report timing was very short and gives the impression of being controlled by the IP rights holder community. Why did it need to be done so quickly? This raises the broader concern about the problems to be caused by introducing the new gTLDs. *Wrays (6 July 2009)*. *BBC (6 July 2009)*. *V. McEvedy (7 July 2009)*.

**Extend new gTLD timing and ensure full implementation of RPMs.** No gTLD rollout should occur until the IRT’s rights protection mechanisms are fully implemented. *FICPI (6 July 2009)*. *Time Warner (6 July 2009)*. A new timeline into 2010 should be developed to assure that the trademark protection processes and procedures will be operable when new gTLDs come on line. *IHG (2 July 2009)*. ICANN should halt the launch date for new gTLDs until a detailed schedule for implementation of critical RPMs is finalized and resourced, and gTLD implementation should coincide with RPMs implementation. There should be milestones for measuring RPM implementation progress and any delay in their implementation should create a concurrent delay in the launch of gTLDs. *MarkMonitor (2 July 2009)*. *Regions (3 July 2009)*.

**IRT’s top-down, private process was flawed.** ICANN should assemble a diverse group of experts from the community to reform existing trademark protections through

established ICANN precedent. *A. Allemann (6 July 2009)*. Some RC members expressed concern that the IRT process is not consistent with the bottom-up consensus process to which ICANN is committed. *RC (6 July 2009)*. *P.R. Keating (6 July 2009)*. *NCUC (7 July 2009)*. *IP Justice (7 July 2009)*. *P. Temperly (7 July 2009)*. *ALAC (7 July 2009)*. *V. McEvedy (7 July 2009)*.

**Overall support for IRT recommendations.** Subject to certain discrete observations, Pattishall McAuliffe supports the IRT's recommendations overall and recommends that ICANN adopt them. *Pattishall McAuliffe (17 June 2009)*. *R. Pringle (2 July 2009)*. *C. Apps (3 July 2009)*. If despite objections ICANN moves forward with the plan to introduce new gTLDs, then the IRT recommendations should be adopted and it would be appropriate to review implementation of the IRT recommendations 18 to 24 months after new gTLDs are launched to assess their effectiveness in addressing trademark abuses and any adjustments that may be needed. *Microsoft (2 July 2009)*. See also *Com Laude (3 July 2009)*. *CAC (4 July 2009)*. *Telstra (6 July 2009)*. *1 Place (6 July 2009)*. *FICPI (6 July 2009)*. *Experian (6 July 2009)*. *ECTA (6 July 2009)*. *UBS (6 July 2009)*. *USCIB (6 July 2009)*. *SIIA (6 July 2009)*. *Yahoo! (6 July 2009)*. *Verizon (7 July 2009)*.

**IRT report does not go far enough to alleviate burden on trademark owners.** The IRT suggestions are not enough to protect the rights of trademark owners when the new gTLDs are released. *LEGO et al. (29 June 2009)*. *Adobe (25 June 2009)*. *C. Speed (2 July 2009)*. *Regions (3 July 2009)*. *MPAA (6 July 2009)*. The final report does not sufficiently address or protect the interests of nonprofit trademark owners like the IOC. *IOC (6 July 2009)*. INTA IC supports the IRT mechanisms, but they do not fully resolve the issue of protecting trademarks in the new gTLD launch. Action outside the new gTLD process may be necessary to address trademark concerns (e.g. proxy and privacy services). *INTA IC (6 July 2009)*.

**Final IRT report is not balanced.** The interests of the non-IP world have not sufficiently been taken into account. *G. Kirikos (29 May 2009)*. *R. Wickham (1 July 2009)*. The IRT report should be rejected. *T. Davids (4 July 2009)*. *IP Justice (6 July 2009)*. *NCUC (7 July 2009)*. *J. Calandra (4 July 2009)*. *Kulasekaran (4 July 2009)*. *E. Horowitz (6 July 2009)*. *P. Quinn (4 July 2009)*. *U V (6 July 2009)*. The IRT report does little to protect the concept of "fair use." *M. Neylon (6 July 2009)*. Very few of the IRT proposals should be globally mandated on new gTLDs. *EFA (6 July 2009)*.

The IRT recommendations seek to transmogrify the DNS into an exclusive territory where trademark interests will determine entry according to highly undemocratic criteria, which is contrary to trademark law and can inhibit the DNS's incremental progress. The IRT attempts to indirectly prioritize trademark rights over domain name registrations through the creation of an additional adjudication mechanism which lacks any conceptual basis or procedural reasoning. The IRT report should be revisited and the wider ICANN community needs to consider how it threatens technological evolution and innovation. *K. Komaitis (6 July 2009)*. The IRT proposal should be rejected. The proposal will curtail free online expression which is counterproductive to ongoing efforts on expanded IPv6 online expression space. It overprotects trademarks and does not address fair use, may stifle competition and make consumer communication interests vulnerable to corporate priorities. The IRT proposal unfairly exposes Kenyan and other African Internet users to Internet domination by developed countries' advanced and well-endowed IP interests. If the IRT proposal is adopted, how will ICANN protect Kenyan

and other African icons and other aspects of its cultural heritage? Is this an area ICANN really wants to enter? *A. Gakura (6 July 2009)*.

**Impact on existing TLDs.** Any proposed IRT process must exclude all existing TLDs and provide for their permanent exclusion from it. *Acroplex (6 July 2009)*. The policies to be decided should be applied to existing TLDs; if they are limited to new gTLDs this would put them at a competitive disadvantage with the incumbents. *ALAC (7 July 2009)*.

**IRT's flawed top level standards.** The top level standards proposed by the IRT need to be refined to balance the competing rights of trademark owners, internet users and applicants. The proposed requirement of a "probability" of confusion or deception is out of place in the internet domain context and is inconsistent with standards embraced in the UDRP and by trademark law in many countries. The proposed rebuttal upon a showing of a "legitimate interest" is far too liberal in the top-level context, given the high stakes and significant interests of the parties. Mere incantation of a "legitimate right" should not be read to defeat a trademark owner's rights without a careful balance of the competing interests at stake and evaluation of the applicant's real intent. Instead, those rights should be balanced under a "bad faith" inquiry like that prescribed in the Anti-Cybersquatting Consumer Protection Act (ACPA). *Playboy (6 July 2009)*. *Ford et al. (6 July 2009)*.

**IRT report has many flaws, including that it ignores global differences in trademark law.** The IRT ignores the differences in different jurisdictions and cannot gain global consensus. It also does not correctly coordinate conflicts of the trademark rights and domain name rights. Registrants' interests are neglected in the IRT report, which is not objective or impartial. The mechanisms in the report also go far beyond ICANN's functions. Given the UDRP, there is no need for the mechanisms advocated by the IRT (e.g., URS), and the IRT report cannot solve domain name disputes thoroughly. The domain name management system must be coordinated with the trademark registration management system to solve the issues completely. *Leslie, Guan Yuanyuan (5 July 2009)*. *Chinese DNUA (6 July 2009)*. Many of the RPMs suffer from a U.S.-centric approach that does not incorporate legal standards and customs in other jurisdictions. *P.R. Keating (6 July 2009)*.

**IRT RPMs Flaws.** The IRT RPMs ignore key differences between ".trademark" gTLDs and "community" TLDs, giving no top level protection to trademarks except those that qualify as GPMs, and offering problematic protection at the second level. A better approach is to allow any trademark holder to object to a new gTLD application incorporating its trademark, subject to a rebuttal by the applicant establishing any legitimate interest in the use of the mark at the top level. *Ford et al. (6 July 2009)*.

**Process.** The IRT recommendations should be considered "policy" and handled through the GNSO. *G. Kirikos (2 June 2009)*. *V. McEvedy (7 July 2009)*. ICANN needs to drop the new gTLD plan and work on future RPMs and UDRP reform should be done within the GNSO via a bottom-up consensus process as required by ICANN's bylaws. *G. Kirikos (7 July 2009)*. The IRT process and many of its recommendations involve policy which should only be created through the usual ICANN bottom-up consensus policy development process (PDP). The legitimacy of ICANN policy regarding the primacy of the GNSO PDP is the primary issue in the implementation of the new gTLD policy. Instead of allowing direct implementation of new policies that came out of the IRT, the

Board should request the initiation of the policy process within the GNSO as required by the Bylaws. *A. Doria (6 July 2009)*. It would be outrageous for ICANN to ignore the lack of consensus and attempt to implement these new policies (e.g. URS) absent further review in an expedited PDP which could develop balanced and effective trademark protection mechanisms. *ICA (7 July 2009)*. If the IRT process goes forward, ICANN needs to ensure that the mistakes of the process are corrected. The IRT process needs balance and equity among those who review the comments and incorporate future changes into proposals. The public consultations must cover two sides, not one, and there should be a comments-review team with balanced representation. *NCUC (7 July 2009)*.

**Jurisdictional enforcement concerns and need for trademark study prior to any new gTLD launch.** Verizon is concerned that U.S. companies will face significant jurisdictional barriers to future enforcement when ICANN approves registries and registrars located outside the U.S. Many countries have no anti-cybersquatting laws and offer no remedies. While it is possible to file a UDRP action in some cases with dispute resolution providers such as WIPO, companies still have to expend thousands of dollars per infringement in order to win back a single domain name. Therefore a special trademark study should be done before launch of any new gTLDs to determine if the IRT recommendations will substantially raise enforcement and monitoring costs for businesses worldwide. If so, such an outcome would dictate that further time is necessary to ensure that these solutions will in fact protect consumers and the trademark community from online confusion and abuse. *Verizon (7 July 2009)*.

**No expansion of existing legal rights.** Trademarks are limited to goods and service categories, may have geographical boundaries and respect the rights of registered and unregistered marks, but these considerations are not reflected. Expansion of these boundaries is at the expense of free speech, property rights and due process. *R. Wixom (3 June 2009)*. *R. Wickersham (6 July 2009)*.

**Potential Unintended Consequences--Impact on Trademark Jurisprudence and Domain Names.** ICANN should rethink its approach to trademark protection and proceed with caution; importing certain concepts of trademark law into DNS policy may create long term problems for trademark jurisprudence and for domain names and Internet governance, and lead to other unintended, harmful consequences. *ICA (7 July 2009)*.

**ICANN role.** Implementation of the IRT recommendations falls outside ICANN's technical mandate and scope. NCUC opposes ICANN involvement in expanding trademark rights in ways not supported by trademark law. *NCUC (7 July 2009)*. *ALAC (7 July 2009)*.

**Minimize stakeholder burdens and account for operational realities.** The system design (i.e. tapestry of interrelated and interdependent solutions) should minimize burdens on users and stakeholders, especially trademark owners. Any implementation of the final IRT report recommendations will yet need to account for operational realities of such systems. *WIPO AMC (19 June 2009)*.

**Clarify the relationship between recommended mechanisms.** The final IRT report seems to recommend a single mechanism for certain phases of domain name

registration (i.e., unnecessary to extend the IP Claims service post launch due to URS availability, and contemplating Sunrise Registration Process to replace a Pre-Launch IP Claims Service). It is unclear why a single mechanism should operate to the exclusion of other possible means of addressing trademark abuse. The role of providers in relation to the different IRT-recommended services also requires clarification (i.e. careful consideration of accreditation choices that will ensure mechanisms are operated on an informed and seamless basis—e.g., in light of relationship between the URS and UDRP—while still allowing for diversity). *WIPO AMC (19 June 2009)*.

**Consumer expectations regarding trademarks and domain names.** There is not a presumption, as the IRT open letter indicates, that consumers have a single expectation for trademarks in domain names (e.g., the word “apple”). *ENOM (22 June 2009)*.

**Efficient process.** ICANN must streamline, automate and resource RPMs to make the gTLDs live up to their safety and security promise. *MarkMonitor (2 July 2009)*.

**Cost concerns for rights holders.** There are no price caps or limitations on the cost of registrations and therefore the cost of a protection program for a rights holder could potentially be very high. *MarkMonitor (2 July 2009)*.

**Interdependency of proposed RPMs not supported.** The final IRT report does not provide evidence or reasoning why the recommended RPMs should be deemed interdependent and implemented as a group. *ENOM (22 June 2009)*

**RPMs for closed systems.** The IRT should require RPMs for all systems. The IRT’s not recommending RPMs for closed systems would create more second level domains that incorporate the marks of others. *Baker Hostetler (6 July 2009)*.

## ANALYSIS

Some have commented that ICANN should not proceed with the New gTLD Program until all RPMs are vetted and a clear plan for implementation is in place. Some claim that the IRT proposed RPM’s are not implementation tasks, but the role of policy creation. Others comment that it is beyond ICANN’s mandate to protect trademark holders rights and thus ICANN should not implement any of the IRT proposals.

In terms of specific comments on the IRT proposals, some are in general support of them, some do not think they go far enough to protect trademark holders, some think they go much too far and do not take the interest of non-trademark holders sufficiently into account. Other comments indicate that the IRT proposals do not take international trademark issues into account, that the IRT proposal would expand the rights of trademark holders beyond their proper geographic boundaries, and still others argue that study is needed to determine if the IRT proposals will increase monitoring costs for business worldwide. ICANN takes all of these comments seriously.

It is important to note that one of ICANN core values is “Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.” See <http://www.icann.org/en/general/bylaws.htm#I>. In furtherance of this core value, ICANN is committed to ensuring that the concerns of all

community members, including trademark holders, are considered and addressed to the extent practicable before launching the New gTLD Program.

As ICANN's Chief Operating Officer, Doug Brent, stated to the United States House of Representatives Committee on the Judiciary, Subcommittee on Courts and Competition Policy, on 23 September 2009:

Importantly, the new gTLD work is not yet done. While numerous hard issues have been resolved along the way, some still remain. Intellectual property concerns are crucially important to ICANN. Even ICANN's Chair is an intellectual property attorney. We have not and will not allow new TLD expansion that does not appropriately protect trademark holders. Trademark holders want more tools for enforcement and protection at the second level. So do we. In fact, we asked for a team of intellectual property experts from all over the world to provide advice on how protections could be strengthened. I personally participated in [those] discussion[s], hundreds of hours in the last six months, and recommendations are now being actively considered.

As noted above, the IRT Final Report is the result of hundreds of hours of discussion, which involved many members of the community, not all of whom represented the interests of trademark holders. In developing the Report, the IRT worked very hard to compromise and try to reach a balance of interests.

In considering the IRT Final Report and all of the public commentary received to date on the Report and the proposals contained therein, ICANN continues to try to reach a balance of interests. Indeed, not all of the IRT recommendations will be proposed with the next version of the Applicant Guidebook, some of the recommendations have been altered to reflect public reaction and still others are being submitted to the GNSO for consideration and adoption or recommendation for alternative implementation solutions. Furthermore, each is still in proposal form and ICANN is committed to continuing the consultation process to further understand the interests of all community members and reach the best solutions possible - including the legitimate protection of trademark interests in a global context.