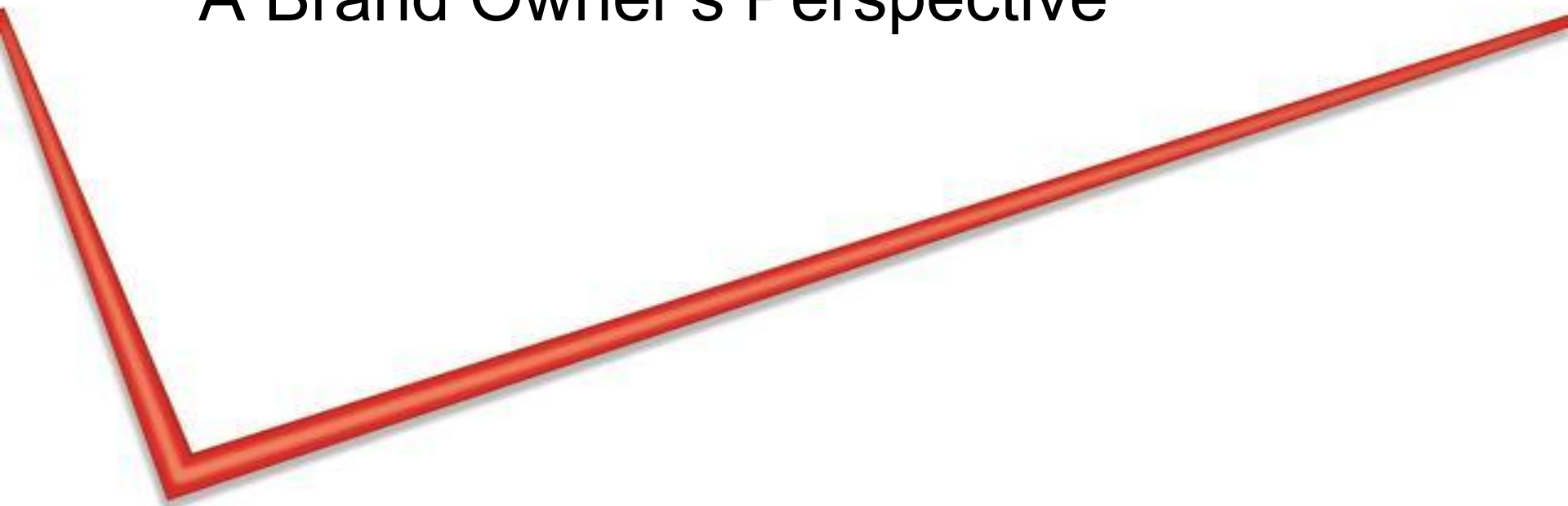


# ICANN and New gTLDs: A Brand Owner's Perspective





## THE VERIZON BRAND IS OUR MOST IMPORTANT ASSET

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- Verizon spent **\$3.02 \*billion\* on advertising in 2009.** Advertising budget alone is higher than the entire market cap of some entire companies with well known marks.
- Recent high profile cybersquatting cases – Last year, Verizon awarded the highest judgment ever in a cybersquatting case -- \$33.15 million against Chinese registrar, OnlineNIC.
- Verizon also awarded \$23.8 million against Lead Networks, an Indian registrar who was registering, trafficking and profiting from domain names that were variations of famous trademarks.



# Domain Name Infringement - Examples

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verisontones.com  
verisonringtons.com  
verisozwireless.com  
verisonwriless.com  
verizewireless.com  
verizanwierless.com  
verixonwirelss.com  
verizionwieless.com  
verizionwerless.com  
verizinewireless.com  
verizionwirelessringbacktones.com  
verizionwirelessrebate.com  
verizionworeless.com  
verizomworeless.com  
verigonwireless.com  
veritizonwireless.com  
verionwirelessrebates.com  
verionringbacktones.com  
verisenwierless.com  
veririzon.com  
veriozion.com  
verisoncell.com  
verisionworeless.com  
verisontones.com  
verisonringtons.com  
verisonwireliss.com  
verisonwireliess.com  
verisonwirelessrbt.com  
verisozwireless.com

verizonds.com  
verizondiamond.com  
verizonesuperpages.com  
verizonephones.com  
verizonephone.com  
verizonewirelss.com  
verizongo.com  
verizonhotmail.com  
verizonhumanresources.com  
verizonewierless.com  
verizonlandline.com  
verizonlgrington.com  
verizonmyprepay.com  
verizonlinedsl.com  
verizonnetlearn.com  
verizonontheweb.com  
verizononlinepages.com  
verizononline.com  
verizonpennsylvania.com  
verizonpage.com  
verizonreup.com  
verizonphonelists.com  
verizonphonecompany.com  
verizonringones.com  
verizonringbacktunes.com  
verizonring.com  
verizonsweepstakes.com  
verizonsw.com  
verizontunes.com

- Despite our enforcement efforts, Verizon still faces thousands of new cybersquatting incidents each year.
- Verizon activated certain domain names in our portfolio, including a large number of domain names won back from cybersquatters, and re-pointed the traffic back to Verizon websites.
- Last year, Verizon verified over 33 million new visitors to our websites and over 321,000 confirmed sales, all of which would have otherwise been lost to cybersquatting activity.
- Verizon.com received nearly 350,000 visitors in just 60 days.

- Biggest Problem Won't Be Third Parties Bidding for Trademarks as new gTLDs (“First Level Infringements”) but the Numbers of Infringements inside 250-500 gTLDs (“Second Level Infringements”)
- ACPA Suit Only Works with US Jurisdiction. Expensive to Sue
- UDRP – Even if Available, Expensive and Won't Scale to the Number of Second Level Infringements in new gTLDs
- ICANN Proposed Final Applicant Guide Book outlines so-called “Rights Protection Mechanisms”

- Trademark Clearinghouse – Essentially a large database unaffiliated with ICANN. Purpose is to authenticate trademarks vis a vis new gTLD registries offering either a “Sunrise Period” or “Trademark Claims” service. Not a Globally Protected Mark List.
- Sunrise Period– driven by fear/defensive purchasing of domain names before a a new gTLD officially launches. ICANN won’t regulate price of sunrise fees.
- Optional Trademark Claims service provides a warning notice to a potential domain name registrant of TM rights. Applies only to “identical marks” so value limited.
- New gTLD registries can offer either but do not need to offer both
- Trademark Owners Bear All Costs

- TC should accept all IP recognized under national law of registry.
- Sunrise and IP claims service should be mandatory – each serve a useful function
- IP claims services should go beyond exact matches and include common phrases and typos
- Only available for registrations, not applications
- Notice should go to the registrant and rights holder
- TC should continue as a service after the initial launch of each new gTLD
- Rights holders, registries and registrars should contribute to costs because all benefit from the TC

- **TC should accept all IP recognized under national law of registry. #1B**  
– *Agreed to update the DAG for marks other than registered trademarks, registered by treaty or statute, subject to proof of use. Won't use a cut off date.*
- **Sunrise and IP claims service should be mandatory – each serve a useful function. #2** – *Board says IRT/STI proposed either/or.*
- **IP claims services should go beyond exact matches and include common phrases and typos. #2** – *Board recognizes TM owners have interest in receiving broader notice and agrees to discuss*
- **Only available for registrations, not applications #1A** – *Board agrees*
- **Notice should go to the registrant and rights holder #1A** - *Agree*
- **TC should continue as a service after the initial launch of each new gTLD - #2** *Board disagrees and says TM claims service will only operate at launch and shifts costs to TM owner to use a “watch service”*
- **Cost Sharing. #1B** – *Rights holders pay when registering; registry pays to administer the service*



- “URS” – The stated purpose is to provide a low-cost and rapid means for taking down infringing domain name registrations in the case of clear trademark abuse
- Complaint must meet the following criteria:
  - Domain name at issue identical/confusingly similar to Complainant’s valid registered (or otherwise validated/protected) mark
  - Registrant has no legitimate right/interest to domain name
  - Domain registered and being used in bad faith
- Estimated filing fee - \$300 (not clear who will offer this service at this price)

- Not Rapid: Registrant can take up to 21 days to respond to a complaint and decision takes at least another 14 days
- No Certainty: Even if the trademark owner wins by default, Registrant can seek de novo review up to 2 years after suspension
- High Burden of Proof: Trademark Owner must make case by “clear and convincing evidence”
- Temporary Remedy: Suspension only takes place for “balance of registration” period with option to extend for one year at commercial rates
- Perpetual monitoring obligation for Trademark Owner with no permanent ability to transfer the domain name
- URS contains penalties for “abuse of process” by trademark owner. Two abusive complaints or one “material falsehood” can lead to bar on filing URS for one year. May affect TM rights.

- Significantly reduce timetables
- Streamline by having 500 word limit, decisions by an Examiner
- Default should result in a result in favor of the complainant with website locked
- Lower standard from “clear and convincing evidence” to “preponderance of evidence” and lower bad faith
- Add loser pays model. 5 URS losses results in a ban
- Reduce appeal time from 2 years to 6 months
- Successful complainant should have first right to seek transfer of the domain name
- URS should go beyond exact matches

- **Significantly reduce timetables - #1A**
- **Streamline by having 500 word limit, decisions by an Examiner - #1A**
- **Default should result in a result in favor of the complainant with website locked -#1B –Examiner will review merits even in case of default and will not imagine defenses as currently in DAG**
- **Lower standard from “clear and convincing evidence” to “preponderance of evidence” and lower bad faith - #2 – Cites back to IRT, STI recommendations and bad faith from UDRP**
- **Add loser pays model. 5 URS losses results in a ban - #2 – rejects loser pays for now and rejects any ban**
- **Reduce appeal time from 2 years to 6 months – #2 –rejects noting the STI suggested the general idea and they gave 2 years**
- **Successful complainant should have first right to seek transfer of the domain name - #1A – agrees but only after expiration of the domain name**
- **URS should go beyond exact matches -#2 – cites back to IRT and says URS only applies to “clear-cut cases of abuse”**

- Purpose is to provide TM owner with a mechanism to address a new gTLD registry’s abuse of trademarks
- Top Level: Must prove by “clear and convincing evidence” through registry’s “affirmative conduct” that its gTLD string is identical or confusingly similar to a trademark owner’s mark causing “impermissible likelihood of confusion,” “unjustifiably impairing the character of the mark” and taking unfair advantage of the distinct character of the mark.
- Second Level: Prove by “clear and convincing evidence” through “affirmative conduct” that:

- 1) “**Substantial** pattern and practice of **specific** bad faith intent by registry operator to profit from sale of trademarks
- Same test: impermissible likelihood of confusion, unjustifiably impairs brand and its distinctive character
- Notice of trademark infringement is not enough
- If complainant wins, new gTLD registry simply reimburses their filing fees. No monetary damages or sanctions are available
- No duty by ICANN to take any steps to investigate or sanction Registry for compliance purposes

- Standard of proof be changed from “clear and convincing” to “preponderance of evidence”
- Registry operator should be liable if they act in bad faith or are grossly negligent
- Remove requirement to notify registry operator 30 days prior to filing complaint
- If registry operator liable, ICANN must impose appropriate remedies

- **Standard of proof be changed from “clear and convincing” to “preponderance of evidence”** - #2 – *Board states standard recommended by IRT*
- **Registry operator should be liable if they act in bad faith or are grossly negligent-** #2 – *rejects changing “affirmative conduct” to “gross negligence” because this would create a new policy imposing liability on registries*
- **Remove requirement to notify registry operator 30 days prior to filing complaint to 10 days at most** - #2 – Board wants registries to have enough time to investigate and take action
- **If registry operator liable, ICANN must impose appropriate remedies** - #1A – *ICANN agrees to take appropriate remedies that are “in line” with determination but ICANN determines what is appropriate*