

On behalf of Domain Dimensions, LLC, a domain consulting company, I am pleased to offer the following comments on the few remaining “outstanding” issues related to ICANN’s launch of New Top Level Domains (“New TLD”).

1. New TLD Timing

ICANN’s credibility is at stake. More than 25 months ago, the ICANN Board in Paris approved the policy of introducing New Top Level Domains. After four full Draft Applicant Guidebooks, hundreds of committee meetings, thousands of pages of supplemental materials, and hundreds of thousands of e-mails, the time has come for ICANN to say enough is enough. ICANN must follow the timing plan discussed in Brussels. It will decide the last few issues by September; the final implementation Guidebook will be published in October; the ICANN Board will approve it in December; the window for applications will be open in March 2011; and we will see New TLDs in the marketplace by the end of 2011. Period.

Unless ICANN commits to this kind of a schedule, we will continue in this quagmire in which we have found ourselves for the past year. We need some strong leadership and direction to get it done. No one will be happy with every decision and some folks will think that their input was ignored if a decision goes against them. It wasn’t ignored – it just wasn’t agreed with – big difference. Everyone cannot be pleased on every issue. To even attempt that is a recipe for paralysis. As a community, we committed to the introduction of New TLDs and **now** is the time to achieve that commitment.

2. Economic Study

Based on community input, ICANN commissioned yet another study of the economic framework related to the New TLD program. The comprehensive study discusses the potential benefits and perceived costs of New TLDs. It is interesting reading and will be fascinating from an academic perspective whether the assumptions and hypotheses contained in the report end up being accurate or not.

Unfortunately, the study did not have the benefit of the recent launch of the .co ccTLD as a data mark for the potential demand in New TLDs. With only ten registrars permitted to have a direct link to the registry, it has been reported that the .co registry had more than 100,000 names registered after the first day of general availability, and that is with some of the strongest trademark protections available in any ccTLD.

There is nothing in the study that should cause further delay in the introduction of New TLDs or change the implementation plan for New TLDs. Some anti-New TLD advocates have pointed to one sentence in the 64-page report that suggests that ICANN would be wise in continuing with the New TLD roll-out in “discrete, limited rounds” as an argument to delay or change the implementation plan.

ICANN is, in fact, recommending in DAGv4 that it introduce New TLDs in discrete, limited rounds. New TLDs will not be able to be “registered” at any time by anyone in the world as we currently have with second-level domain names. There will be a discrete window to apply for these names that will open and close. All applicants must pass a background check, meet the stated qualifications, establish that they have the technical ability to run a registry, and meet all financial criteria. They also will have to have a minimum of approximately \$1M to file a New TLD application. Therefore, this round will be limited in duration, to a discrete group of entities that can meet very limiting qualifications.

In making its policy recommendations, the GNSO rejected the “beauty contest” approach to accepting applications based on categories or applicants. The economic report does not recommend that ICANN go back to that rejected concept.

Furthermore, due to the nature of the evaluation, objection, and approval processes, all of the names that are applied for this round will, in practice, enter the root in batches or phases. As ICANN is committed to further rounds of New TLDs, it could use the experience of this round and make any necessary adjustments prior to future rounds as recommended in the study.

3. Trademark Protections

a. Overview

The ICANN community has worked hard to achieve an important patchwork quilt of trademark protections in the upcoming round of New TLDs, including a procedure to object to applications for infringing top level names, a thick Whois requirement, the URS, the Trademark Clearinghouse, a mandatory Trademark Claims or Sunrise process, and a Post Delegation Dispute Resolution Process. All of these will make New TLDs a much safer place for trademark holders than existing gTLDs and ccTLDs, including the recently introduced IDN ccTLDs. In my opinion after making some final discrete tweaks that arise out of this public comment period, the trademark overarching issue should be considered resolved.

b. URS

I would like to extend my support for the Uniform Rapid Suspension (URS) procedure as outlined by the ICANN staff. The URS is an important rights protection measure that was supported by both the Implementation Recommendation Team (IRT) and the Special Trademark Issues (STI) group. When faced with a clear case of trademark abuse, the URS will be an important tool for trademark holders to use in protecting their trademarks.

We should remember that a previous version of the URS offered by ICANN staff was not mandatory on New TLD registries. Many in the trademark community found the voluntary nature of the URS to be very objectionable. Some other community members thought that there were insufficient protections for non-infringing registrants who might be faced with complaints by over-zealous trademark holders. These issues were discussed by a group of volunteers from a cross-section of the GNSO called the STI. The STI reached consensus on the URS, and the URS received unanimous approval of the GNSO Council. The proposed procedure is a compromise between these various sectors of the community. As true with every compromise, not everyone will be happy with every aspect of the procedure, but overall the community got together to reach an accord.

The loudest criticism I have heard about the URS is that a successful URS complaint would result in a suspension of the domain name instead of a transfer to the complaining party -- the remedy afforded to a successful UDRP complainant. I agree with the consensus position of the IRT and the STI on this point. If the URS and the UDRP resulted in the same remedy, there would be no need to have both processes. I agree with the trademark experts who served on the IRT and the STI that a trademark holder should have a choice of whether to seek a URS suspension or a UDRP transfer. The remedies for the two procedures should remain distinct.

Another criticism I have heard is an allegation that ICANN in DAGv4 increased the burden of proof of the URS from a preponderance of the evidence to clear and convincing evidence. This is totally inaccurate. The IRT was clear that it wanted the same legal standard for the UDRP and URS (the same elements), but with a higher burden of proof (clear and convincing evidence vs. preponderance of the evidence). The goal of the URS was to deal with "slam dunk" cases of cybersquatting.

From the IRT report: <http://www.icann.org/en/announcements/announcement-4-29may09-en.htm>

"The Final Evaluation analysis involves consideration of three basic issues, similar to the standards for a UDRP decision, but requires a **much higher burden of proof.**" (emphasis added)

"If the Examiner finds that all of these elements are satisfied by **clear and convincing evidence** and that there is no genuine contestable issue, then the Examiner shall issue a decision in favor of the Complainant." (emphasis added)

Another criticism I have heard is the speed of a URS case. By comparing the longest possible URS action to the shortest possible UDRP action, critics argue that a URS action will take as long as a UDRP. This will not be the case. If you

compare the URS timelines with the average length of time to resolve a UDRP action, it will be clear that the URS will be shorter.

As for cost, ICANN should firmly commit to the URS being much less expensive than the UDRP. While ICANN probably cannot lock in a fee without the benefit of a response from third party providers, they could commit to a “not to exceed” fee (e.g. a URS complaint shall not exceed \$400) in the final Guidebook. This would give trademark holders much more comfort that the URS will be a much less expensive alternative to the UDRP.

Moreover, if ICANN made any changes to the URS after the STI compromises that the IP community vehemently objects to based on these public comments, then ICANN should quickly review these discrete issues and correct them before the final Guidebook is issued. This should be especially true for any ICANN-staff changes that would negatively impact the speed or cost of the URS (e.g. the 5,000 word complaint in the URS vs. a more formulaic complaint requirement recommended by the IRT may be an appropriate tweak).

c. Trademark Clearinghouse

I also would like to extend my support for the proposed Trademark Clearinghouse (TC) in DAGv4. The TC would provide for a central database that could be used by registries to help manage their mandatory rights protection measures (i.e. a Sunrise or TM Claims process) and benefits trademark holders by enabling them to provide their trademark information to one central depository, as opposed to having to deal with dozens of independent providers. Both the Implementation Recommendation Team (IRT) and the Special Trademark Issues (STI) group supported the TC as an important tool to make pre-launch activities more efficient and more effective.

If ICANN made any changes to the URS after the STI compromises that the IP community vehemently objects to based on these public comments, however, then ICANN should quickly review these discrete issues and correct them before the final Guidebook is issued. One example of a final tweak might be a clarification of the definition of “substantive review” for purposes of the TC.

d. PDDRP

I also would like to extend my support for the Post Delegation Dispute Resolution Process (“PDDRP”) offered in DAGv4. It should be considered the final piece of the puzzle to the trademark protection overarching issue.

The PDDRP is the first time in ICANN’s history that it has endorsed a process that specifically permits a third party to file a claim against a registry (or registrar) based on its contract with ICANN. I don’t consider this to be a small burden imposed on future registry operators.

I support ICANN's language in the DAGv4 making it clear, however, that the PDDRP should not be used against registries that are not complicit in the cybersquatting activities. Registries are service providers not unlike telecommunications providers. In the United States, for example, telecommunications companies are not liable for illegal telemarketing that might occur on their networks, even if they indirectly "profit" from such telephone usage. They have no obligation to police their networks to listen into the content of such calls to see if they are unlawful. As long as the telecommunications company doesn't actively participate in such illegal telemarketing, they cannot be held liable. Similarly, registry operators should be exempt from liability unless they are intentionally acting in concert with the illegal cybersquatting activities. I agree with ICANN that willful blindness is not the appropriate standard.

While I advocated for additional changes to the PDDRP that were rejected by ICANN, I would like to express my overall support for the PDDRP as written. Along with the URS and the TC, the PDDRP in its current form is a result of diverse community input. They are a compromise between various segments of the community and divergent interests. Not everyone could or should be content with every aspect of these protection measures. In their current form, they are a very fair and reasonable attempt to solve this issue for this round of New TLDs.

4. Community

I support the DAGv4 proposal for Community Applications. ICANN included more detail and information in the DAGv4 than in prior publications on this issue. A strong standard of 14 points will prevent the "gaming" that inevitably could occur with a lower standard.

5. Morality and Public Order

The GNSO approved the Morality and Public Order objection due to a clear sentiment in the community that ICANN should have some mechanism to deny highly objectionable applications. If the Morality and Public Order objection process as outlined in DAGv4 is problematic to the GAC, NCSG, ALAC, and/or any other group, we need to work together as a community to reach a new resolution very quickly.

6. Base Registry Agreement

I commend ICANN on the constructive way that the issue of the registry agreement amendment process was resolved through dialogue and cooperation. That should be used as a model for the resolution of future issues.

I support many of the other suggested changes that have been raised by the Registry Stakeholder Group in its comments to the base agreement, and suggest

that ICANN use the same process to resolve the remaining issues during the next few weeks.

7. Trademark Front Running

I strongly support Antony Van Couvering's comments during the public forum at the Brussels meeting related to applicants who are trying to "game" the process by registering trademarks in a .TLD name, a process that is rejected by the United States Patent and Trademark Office. The final Guidebook should have clear language that an applicant with a .TLD trademark shall have absolutely no advantage over an applicant who didn't employ this method. In fact, the terms and conditions of applying for a New TLD located in Module 6 should be updated to make it clear that an applicant waives its rights to assert a claim based on a .TLD trademark.

In other words, someone who secures a trademark in .shoe would have no advantage over any other applicant of .shoe, and it would waive its rights to assert such as part of the process. Of course, this would in no way impact the rights that IBM would have in a .IBM application. It would just address those who have secured trademarks in the actual .TLD name to garner some kind of an advantage in this ICANN process.

8. Malicious Activity

I support and commend ICANN on its efforts to address malicious conduct in DAGv4 and believe that the recommendations made prior to and contained in the DAGv4 will be extraordinarily helpful in combating malicious conduct in the New TLD space and that this issue should be considered resolved.

9. City Applications

It should be clear in the case of a string contention set between two different cities of the same name (e.g. Melbourne, Australia and Melbourne, Florida) what happens if both cities have the appropriate letter of non-objection and did not apply as a community applicant. Does it go to negotiations and auction, or would it remain with the parties to work out, and if they didn't work it out, the name wouldn't be assigned?

The same would be true for a city name in contention with a non-city name (e.g. Canon, Illinois and Canon Inc. or Alpine, Texas and a ski-related application). If contention is not resolved through negotiations and auction, small cities with generic names could be used to "game" the system. This issue should be clarified in the Final Guidebook.

10. Conclusion

Overall, due to the obvious hard work by the ICANN staff and community, the DAGv4 is in close to final form. We should make any last changes and issue a final applicant Guidebook forthwith.