

Valideus is a consultancy that is assisting a small number of leading brand owners to evaluate and, if appropriate, to apply for new gTLDs. Valideus thanks ICANN for the opportunity to comment on the April 2011 Discussion Draft of the Applicant Guidebook and would like to make the following points which we have discussed with a number of our clients:

**Measures to protect IP:**

We recognise the improvements that have been made in the measures to protect intellectual property but would like to propose four further changes

1. URS: there should be an option for a winning challenger to obtain the transfer of a domain.
2. Clearinghouse: the cost of inclusion of a mark in the Clearinghouse should be kept as low as possible with funding coming equally from users of the system e.g. trademark owners, registries, registrars and from ICANN itself.
3. IP Claims: Several of our clients believe that there is merit in the idea of a notice being sent if an application contains a character string that features in the Clearinghouse (rather than consists of a mark in the Clearinghouse). Many infringements take a trade mark and add a descriptive term such as PRADA-BAGS. Such notices could help reduce conflicts.
4. Proof of Use: We do not believe that the fixed date of 26 June 2008 is appropriate as it excludes newer trademarks and goes against the spirit of innovation which is driving the new gTLD opportunity. We prefer a flexible date such as six months before submission into the Clearinghouse which will serve the Clearinghouse going forward.

**Evaluation Questions:**

In relation to the application process our general concern is that the Evaluation Questions could be improved if they took more account of the needs of Dot Brand applicants (of if alternative questions were to be drafted). For example, Question 18 requires applicants to describe the Mission/Purpose of their registry. This question has been significantly expanded in this Draft of the Applicant Guidebook with a series of sub-questions which are not directly applicable for Dot Brand applicants.

For example:

- What do you anticipate your proposed gTLD will add to the current space, in terms of competition, differentiation, or innovation?
- Describe whether and in what ways outreach and communications will help to achieve your projected benefits.
- Do you intend to offer registrants the ability to obtain long term (or permanent) contracts for domain names? Do you intend to make contractual commitments to registrants regarding the magnitude of price escalation? If so, please describe your



plans.

We think the application process would be improved if alternatives were provided for Dot Brand applicants, asking about, for example, how a new gTLD will be used to support the strategic aims of the brand.

Furthermore we have Dot Brand clients who are concerned at the requirement in Question 11 for directors of applicant companies to disclose their Permanent Place of Residence. A practical alternative would be to offer an alternative such as an address within the application company. This is more appropriate where an application is being made on behalf of the company.

**Co-existence:**

This Discussion Draft of the Applicant Guidebook does not take into account either co-existence agreements or natural co-existence between trade mark owners with similar marks. Currently a successful application from NBC in round one would preclude ABC or BBC or NBA in future years. DHL could preclude the NHL – despite the fact that these organisations co-exist in the real world. We do not think that ICANN should be creating conflicts where they do not exist. There should be a mechanism so that trade mark owners that co-exist in the real world without causing consumers any confusion can co-exist at the top level of the domain name system.

**County codes at the second level:**

ICANN is proposing prohibiting the registration of country names at the second level. This means that an applicant for a Dot Brand domain, let us say Budweiser, cannot in its own registry, for a perfectly logical and legitimate business reason, register us.budweiser, uk.budweiser etc. This prohibition is unrealistic, anti-commercial and will be very hard to police. As there is no prohibition on the creation of folders (for example www.budweiser/uk) this is an artificial restriction that should be lifted.

Yours faithfully,

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