



Comments of MARQUES, the Association of European Trade Mark Owners on the New gTLD Board Committee's Consideration of GAC Safeguard Advice

14 May 2013

MARQUES thanks ICANN for the opportunity to comment on the issue of how the New gTLD Board Committee should address GAC Advice from its Beijing Communiqué including safeguards applicable to broad categories of New gTLD strings.

Introduction to MARQUES

MARQUES is the European Association representing brand owners' interests. MARQUES unites European and international brand owners across all product sectors to address issues associated with the use, protection and value of IP rights, as these are vital to innovation, growth and job creation, which ultimately enhance internal markets.

MARQUES membership crosses all industry lines and includes brand owners and trademark professionals in more than 80 countries representing billions of dollars of trade annually.

MARQUES comments on Safeguards

While many of our members are new gTLD applicants, and wish to avoid further delay in the delegation of new gTLDs, MARQUES members sincerely appreciate the active interest governments continue to take in the New gTLD Program. In particular we appreciate the GAC's recognition that certain strings target sectors that face persistent intellectual property abuse. Recalling the GAC's interventions, raised in particular in the "Brussels Scorecard" discussions, we are encouraged that the GAC recognizes that many of the issues raised in the lead up to that Scorecard, while considered by many in the ICANN community to be settled, have yet to be adequately resolved from an intellectual property perspective.

The GAC's proposed high-level safeguards are an effort to bridge this gap by making the Internet safe and secure for its customers and the general public. MARQUES shares this interest. It is time for registry operators to self-regulate more responsibly and to take positive steps to combat abusive behaviours happening under their watch. Registry operators, as intermediaries, rightly enjoy broad safe harbours and immunities for third party conduct; we feel the time has come however for them to do more to retain this status.

While MARQUES supports the safeguards expressed in the GAC's recent Advice, we believe that these should be implemented only after receiving requisite ICANN community support, and that they should not hold up the New gTLD Program. There will always be more safeguards that can be added, and if ICANN does not keep moving, we could find ourselves

in this same spot next year, or the year after; for some, the safeguards will never be enough (just look at the request by IGOs to pre-screen and approve (or veto) certain domain name registrations); compromise is required.

If these safeguards cannot be introduced in the short term, they could provide the foundation for community discussions aimed at creating GNSO policies to be enforced by ICANN after the delegation of TLDs in this first round, and for future rounds. To introduce post hoc changes to applications and business models now risks the credibility of ICANN and the governments participating in its multi-stakeholder experiment; ICANN's commitment to the multi-stakeholder model hangs in the balance.

MARQUES has participated in the ICANN community-driven policy development model to shape new gTLD trademark Rights Protection Mechanisms. We view many aspects of these mechanisms as inadequate. Nevertheless, we do not seek to re-open settled debates. Governments who have participated in this process for many years must be cognizant of the importance of compromise, and adhering to the community-agreed Applicant Guidebook.

The GAC's new Advice on *Strings for Further Consideration* upsets global trademark norms

Our members are concerned to see the GAC setting aside a number of "strings for further GAC consideration" including terms which are registered around the world as trademarks.

The GAC's suggestion that certain applications should be re-considered turns individual governments into supra-national trademark arbiters which sets a dangerous precedent. It amounts to individual governments holding a veto over applications, and creating new law through the auspices of ICANN. This plainly exceeds the intended powers of the GAC.

It turns these same governments into arbiters of morality and public order across the world.

It diminishes the importance of global and local digital economies in favour of politics.

It allows the sensitivities of individual governments with national or political interests to overturn legitimate global intellectual property rights.

It also exposes current and future applicants to limitless uncertainty. The impact, if allowed by the Board to pass, will surely be that **all** applications in the current and future rounds will need to be reviewed against as yet undefined lists of geographic, cultural and linguistic terms (lists that the same Governments were unable to provide earlier in the process under the Brussels Scorecard process). If such lists could ever be produced, they would be subject to endless change as governments and government representatives change.

Therefore MARQUES calls on ICANN to adhere to the carefully-negotiated lists of prohibited strings in the Guidebook and to reject GAC Advice in this specific area because it will undermine the multi-stakeholder governance experiment and ICANN's credibility, as well as eroding the confidence of global businesses which are future contracted parties, and who relied in good faith on the GAC-agreed Applicant Guidebook.

MARQUES previous position of record on so-called “closed generic” TLDs

On March 7 2013, MARQUES submitted comments for the attention of the New gTLD Board Committee, setting out MARQUES’ position on broad categories of strings. We have set out these comments once again to ensure they are reviewed alongside other comments:

We have consulted widely amongst our members and opinion is sharply divided over the issue of Closed Generic Registries.

There are some MARQUES members who have applied for Closed Dot Brand registries and some who have applied for Closed Generic registries. All MARQUES members are concerned that the expansion of Open Generic registries will inevitably lead to increased costs and infringement but opinions are divided on Closed Generics.

In favour of all generic terms being open are some of our members who fear a negative impact on competition. There is a concern about industry players capturing the relevant industry term. This is not allowed in trademark registries and is generally held to be contrary to legal norms for IP rights.

In favour of Closed Generic registries are some of our members who applied themselves for Closed or “Restricted Open” registries. They say that there were no restrictions in the Applicant Guidebook on Closed Generics. They say that domain registries are not trademark registries and that if the only model for a generic string is open, featuring the selling of second level domains, the expansion of the domain system is pointless, hindering innovation and benefitting only registrars and domain investors.

In the middle are a larger number of our members who do not simply see Open Generics as good and Closed Generics as bad. They recognise that there are some business models for Closed Generic registries which can be beneficial – such as a registry that serves a defined community with transparent eligibility criteria – and some business models for Open Generic registries which can be harmful – such as a registry which allows unrestricted access to strings associated with a regulated market sector.

The picture is clouded by interests in the ICANN community arguing for different business models. For example, there are some registrars who fear that restricted access to “the most valuable internet real estate” means they will not be able to sell as many domain names as they like, especially to domain investors who trade in premium generic terms. Equally, there are consumer protection advocates who recognise the benefit of “Trusted” registries with strict eligibility criteria especially those linked to an established trade association representing a market sector.

MARQUES regrets that this debate has emerged at this late stage: we called repeatedly for a Public Interest test to be included in the application process during

successive comment periods on the Draft Applicant Guidebook. We hope that such a test will be included in future rounds and that all statements made in an application, including those relating to Mission and Purpose, will be evaluated and scored.

We also hope that the PIC (Public Interest Commitment) process will be developed so that it becomes a useful tool. We regret that as the PIC process is not yet complete, it may not be as effective as it might be because applicants are naturally unwilling to commit themselves to a process which potentially exposes them to unlimited third party complaints with uncertain outcomes or costs.

We note that ICANN has reserved the right to make “reasonable updates and changes” to the Guidebook (1.2.11) as a result of policy discussions. However, we think that a change of the magnitude of eliminating Closed Generic applications two months before the first application is due to be delegated may not be regarded by many as “reasonable”. It may destabilise the new gTLD project, and possible embroil ICANN in litigation.

Mindful of the fact that the normal rules of law in relation to anti-competitive behaviours will apply to all registries, including both Open and Closed Generics, MARQUES position is therefore that the status quo as set out in the Applicant Guidebook should apply. Both Open and Closed Generics should continue to be allowed in this first application round but both should be subject to significant scrutiny after launch by ICANN to ensure that the interests of rights owners and consumers are protected.

Conclusion

In conclusion, in urging the ICANN Board to adhere to ICANN’s by-laws and preserve the multi-stakeholder model for the good of the global Internet community, we quote Neelie Kroes, Vice-President of the European Commission responsible for the Digital Agenda, who in a speech entitled “Stopping the Digital Cold War” made on 23 February 2013¹ said, “We need to develop our European vision for the internet. We should defend our values, and challenge those who oppose our freedoms: whether the debate is about the internet or anything else. But by greater engagement, I think we can deliver the benefits of the Internet to the widest range of people: open, free, unified, multi-stakeholder, pro-democracy, architecturally sound, trustworthy and transparent.”

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¹ Roundtable event on the Future of Internet Governance, European Parliament /Brussels: see http://europa.eu/rapid/press-release_SPEECH-13-167_en.htm