



IPC Comments on:

Proposal for a Specification 13 to the ICANN Registry Agreement to Contractually Reflect Certain Limited Aspects of ".Brand" New gTLDs

January 9, 2014

The Intellectual Property Constituency (IPC) of the Generic Names Supporting Organization (GNSO) welcomes the opportunity to comment on the “Proposal for a Specification 13 to the ICANN Registry Agreement to Contractually Reflect Certain Limited Aspects of ‘.Brand’ new gTLDs.”

General Comments

We commend ICANN staff for holding this public comment period on the proposed Specification 13 to the ICANN’s new gTLD Registry Agreement (“RA”).

The introduction of new gTLDs remains of paramount interest to the IPC. We have been actively involved at all stages of the process and have provided detailed recommendations for addressing the public’s concerns with intellectual property, competition, and other consumer protection issues raised by the new gTLD program. The IPC has provided extensive input and proposed proactive solutions for the purposes of ensuring a safe and orderly introduction of new gTLDs.

Support for Adoption of Specification 13

ICANN has promoted branded gTLDs since its new gTLD program was announced in 2008; in some cases ICANN has promoted <.brand> gTLDs as a

means for trademark owners to address cybersquatting abuse in the DNS. As a result, hundreds of brand owners have applied to operate <.brand> gTLDs.

The IPC previously supported a category of applications for <.brand> gTLDs for which the registry would presumptively be able to set the policy requirements for second-level registrations. IPC comments on <.brand> gTLDs have also covered a broad range of issues, including the inter-relation of Geographic Names, Vertical Integration / Accredited Registrar Requirement, and Transition-upon-Termination, among other matters. Despite our detailed advice, the new gTLD program currently lacks a sufficient framework for <.brand> registries to ensure their effective and stable operation, while reducing end-user confusion in the DNS should such TLDs cease to maintain continued operations.

The IPC supports the principle of creating a new Specification 13 in the RA to contractually reflect certain limited aspects of <.brand> registries to address some portion of these deficiencies.

We believe these modifications are necessary to help advance the important intellectual property and consumer protection considerations that remain unresolved in the delegation of these gTLDs. While the proposed Specification 13 addresses several - but not all - of these pertinent issues, the IPC encourages its swift adoption following the assimilation of public input from this consultation.

Classifying certain TLDs as <.brands> gTLDs

We believe it is appropriate for ICANN to classify certain TLDs as <.brand> TLDs.

In the IPC's comments on "Closed Generic" TLD Applications, we noted that traditional principles of trademark law provide a foundation for distinguishing among categories of gTLDs, and identifying whether any categories may require further review. We previously stated, "[it] is necessary to distinguish between those categories of new gTLDs that are *prima facie* consistent with traditional legal principles and other categories of application; these categories include: (a) "closed" gTLDs that identically match the applicant's trademark for the same or

related goods or services to be provided in connection with the proposed TLD - regardless of whether or not those TLDs are also ordinary dictionary terms (i.e. “.brand”); and (b) “closed” or “restricted” TLDs that consist of terms used by communities or associations and will be used by members of the community or association (whether the term is owned by an association or eligibility is limited to members of the category described by the term—e.g. banks in .bank or charities in .charity).¹

We note that <.brand> gTLDs offer the potential benefits of:

- promoting global trade and trust by adapting to various business models of trademark holders
- guarding consumers from potential harm through the reduction of phishing and fraud
- protecting and honoring intellectual property that conforms to international standards while not expanding any intellectual property right beyond that granted by the national governments issuing such rights
- encouraging innovation within the new gTLD namespace
- allowing rights holders (for profit and non-profit) to provide maximum value and choice to their customers and constituencies while maintaining strict quality control standards applicable to maintaining trademarks

For these reasons, we believe ICANN should support the classification of <.brand> gTLDs and should contractually reflect aspects of these specific gTLDs in the New gTLD Registry Agreement.

Use of Registrars

Consistent with our previous recommendations on the New gTLD Applicant Guidebook, based on security and other operational issues it is appropriate for <.brand> gTLDs to limit use to one or more preferred ICANN-accredited registrars.

¹ See IPC Comments on “Closed Generic” gTLD Applications. March 15, 2013. Available at: <http://forum.icann.org/lists/comments-closed-generic-05feb13/pdfDDSyf8boEM.pdf>

Wind-down Period

We have previously commented that, in the case of brand owners, the risk that its <.brand> registry will be transferred to a third-party “presents an unacceptable level of risk for loss of trademark control and corresponding trademark rights.”

While we commend ICANN for taking some strides to address these concerns - that will impact both brand owners as well as the success of the new gTLD program - we recommend a more prudent approach. The wind-down period should take place over a period lasting a minimum of three years.

The three-year period is more consistent with most jurisdictions’ laws concerning the abandonment of trademarks. The redelegation of a well-known <.brand> gTLD can cause mistake, confusion, or even intentional harm to the public. The three-year period will provide <.brand> registries with a means to rationally exit from its online registry activities without losing control of its brand and existing trademark rights, while minimizing any consumer confusion in the process.

Definition of <.brand> gTLDs

We believe the criterion suggested is generally appropriate.

As an initial matter, it is important to note that *Section 5.1 (f)* should be amended by adding the term “and Affiliate” after “Registry Operator” so the brand owner’s affiliate can use the corporate <.brand> gTLD. This delineation of “Affiliate” comports with how the term “Affiliate” is used throughout Section 5 of Specification 13 and is fully consistent with the purpose of this provision.

The baseline requirements described here must be sufficient to permit brand owners who wish to utilize <.brand> gTLDs, yet dissuade third parties who may seek to game or abuse the process by registering a trademark solely to be able to apply for a <.brand> gTLD.

Nevertheless, to ensure fairness, we believe that applicants who do not meet the baseline criteria should be able to make their case to ICANN as a <.brand> for the

purposes of applying Specification 13, while ICANN retains the discretion (or can delegate the discretion) to make any final determinations.

Conclusion

The IPC encourages ICANN to adopt new gTLD program elements that recognize the classification of <.brand> gTLDs, and we support the inclusion of the proposed Specification 13 to accomplish this important objective.

Finally, the IPC believes that any decision by ICANN on this issue must be categorically without prejudice to determinations by national trademark offices and courts with respect to evaluation of domain names as trademarks (whether at the top, second, or other level).

Respectfully submitted,

IPC Constituency (IPC)