



30 December 2013

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

First, it is appropriate that we recognize with thanks, the work of ICANN and the Brand Registry Group in bringing the present proposal to fruition. ICANN's introduction of this Specification 13 brings mutually-beneficial contracting efficiency to ICANN and hundreds of applicants.

It bears mention that many brand owners had hoped for additional changes, ranging in significance, to the Registry Agreement. In a spirit of compromise however, the currently proposed Specification 13 was narrowed to a few targeted changes to the Registry Agreement. We support these changes.

We would also like to echo the comments made by Martin Sutton, Interim President of the Brand Registry Group, at the Public Forum during the recent ICANN Buenos Aires Meeting. We would however, like to suggest two minor improvements to the text of Specification 13.

**1. Relation to the Trademark Clearinghouse**

The Registry Agreement term is 10 years, and future new TLD rounds are foreseen. The future monopoly status and duration of the *Deloitte-IBM* Trademark Clearinghouse however, is unclear.

We therefore propose the following change at 5.1(i)a.: "is initially registered with the Trademark Clearinghouse or any successor/alternative ICANN-accredited trademark database, if such mark meets the relevant eligibility requirements ~~to be registered with the Trademark Clearinghouse~~".

It is worth noting here that some .Brand applicants may have preferred to avoid the Trademark Clearinghouse – in particular for scores of costly defensive registrations in new gTLDs – altogether.

**2. Reflecting corporate structures**

During the course of public comments on the Registry Agreement, ICANN changed Registry Agreement section 7.5 to streamline a change of control between existing TLD operators.

In this same spirit, we propose the following change at 5.1(i)f.: "is used by Registry Operator or its Affiliate in the conduct of one or more of its businesses that are unrelated to the provision of TLD Registry Services".

This reflects the fact that .Brand applicants may not themselves own the reputation and goodwill in the .Brand-corresponding trademark, but would necessarily fall within the same corporate umbrella as the ultimate corporate parent.

These two minor, but important changes better reflect the unique characteristics of .Brand registries in the ICANN contractual framework.

Specification 13, together with these two changes, will facilitate greater business flexibility for .Brands to reinforce their core message as innovative, secure online platforms absent of fraud or infringement and rich in consumer confidence.

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Thank you for considering the above suggestions and comments; please do not hesitate to contact us if we can provide any clarification.

Yours sincerely,

/s/

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Valideus

## Annex – Responses to ICANN’s specific questions

In addition to stakeholder comments on the proposed Specification 13 generally, ICANN has invited specific views on the five below questions; our replies follow inline.

- i. *whether it is appropriate to classify certain TLDs as “.Brand TLDs”*

ICANN’s new gTLD Program promoted innovation. It is rather axiomatic that innovation comes in many forms. This is already evident in the numerous thematic types of applied-for TLDs (such as “Geo TLDs”). While a baseline contract reflects certain commonalities to all TLDs, specific targeted adjustments as found in proposed Specification 13 reflect the reality that some types of TLDs propose to apply different operational norms. Indeed, the standard ICANN Registry Agreement already reflects the need for specific adjustments for certain types of TLDs in that it carves out changes for “intergovernmental organizations or governmental entities”. Not only is it appropriate to classify certain TLDs as “.Brands” where they correspond to a “non-TLD trademark”, but failing to recognize the underlying trademark reputation and goodwill risks delaying .Brand adoption.

- ii. *whether the definition of “.Brand TLD” is sufficiently narrow to capture only what is commonly recognized as a corporate brand*

The definition in proposed Specification 13 is sufficiently narrow to capture only what is commonly recognized as a corporate brand. We strongly encourage ICANN to take a holistic, considered approach however, in assessing whether a TLD is a bona fide .Brand registry initially as well as on an ongoing basis. This means that simply having a mark in the Trademark Clearinghouse may not suffice; likewise however, it should not necessarily be a prerequisite.

- iii. *whether there may be unintended consequences associated with the implementation of draft Specification 13*

Insofar as it is akin to proving a negative, it is impossible to directly answer this question. Equally though, a consequence of not implementing Specification 13 may be delayed uptake of .Brand TLDs.

- iv. *whether it is appropriate to permit a Registry Operator for a .Brand TLD to limit its registrar use to one or more preferred ICANN accredited registrar(s)*

It is absolutely appropriate to allow .Brands to register domain names through select trusted registrar partners (so long as a registrar is even required). Merely by way of illustrative background as to why .Brands should be permitted to designate only select trusted registrars, see e.g., *Transamerica v. Moniker*, 672 F.Supp.2d 1353 (S.D. Fla. 2009), *Verizon v. Lead Networks*, Case No. CV-09-00613 ABC (CWx), *Microsoft v. Shah*, C10-0653 (W.D. Wash. 2011) in which ICANN-accredited registrars have been called to answer for trademark-infringing conduct involving domain names.

- v. *whether a two year “cooling off” period prior to re-delegation of the .Brand TLD upon expiration or termination of the Registry Agreement is appropriate (subject to the limitations provided in the draft Specification)*

Some .Brand applicants would have preferred a permanent bar on redelegation, or possibly similar study and consideration as is being given to the Name Collision issue. Given possible coexistence though between a .Brand and another .Brand or even a keyword, a two year cooling off period to reduce the chance of unintended collision or other consequences is a reasonable compromise to allow winding down of operations and a corresponding shift of consumer expectations.