

Date: July 20, 2009  
To: Rod Beckstrom & Peter Dengate Thrush

**Re: Dennis Carlton Report**

MarkMonitor is pleased to submit this letter in response to ICANN's request for comments on the final economic report on competition and pricing in the new gTLDs ("Dennis Carlton Report"). In addition to the comments below, MarkMonitor also endorses the comments of the IPC (Intellectual Property Constituency) to the Dennis Carlton Report.

Recently, MarkMonitor provided data in connection with an economic analysis conducted in cooperation with AT&T ("Dr. Kende Report") that was submitted in response to the Dennis Carlton Report on competition and pricing. MarkMonitor asks that serious consideration be given to Dr. Kende's findings, and in particular to his conclusion that the new gTLDs are likely to impose significant costs on brand holders in the new namespace in order to protect them from abuse.

Furthermore, ICANN should gain a real-world understanding of the potential new costs associated with trademark and intellectual property abuse in the domain name system expansion. These costs include the cost of enforcement action against abuse that harms consumers, defensive registrations and other significant costs. Costs to brand holders due to abuse in the existing namespace are already significant and the proposed introduction of new gTLDs could bring significant additional cost and resource burdens with little offsetting benefit. For example, in Dr. Kende's report MarkMonitor data analysis shows that defensive registrations currently comprise 90% of some large companies' domain name holdings. The Dennis Carlton Report does not identify any potential change to this trend with the gTLD expansion. MarkMonitor would be pleased to assist ICANN by providing some of the necessary information to conduct this study.

Finally, MarkMonitor is concerned that no studies have been conducted in connection with whether direct demand exists for these new gTLDs. Brand holders are concerned that they will be required to bear the burden of paying for defensive registrations in order to protect consumers against abuse and fraud. Even though brand holders are not interested in registering names in the new namespace and there is no actual demand for these new names. Save for a few examples, the majority of the demand publically expressed for new gTLDs is from ventures seeking to capitalize on this new Internet "real estate".

Again, thank you for the opportunity to provide these comments to the Dennis Carlton Report.

Best Regards,



Frederick Felman  
Chief Marketing Officer  
MarkMonitor