

**Sarah B. Deutsch**  
Vice President and Associate General Counsel  
Verizon Communications Inc.



1320 North Court House Road  
9<sup>th</sup> Floor  
Arlington, Virginia 22201

Phone 703 351-3044  
Fax 703 351-3669  
sarah.b.deutsch@verizon.com

May 6, 2009

VIA EMAIL ONLY (irtp-draft-report@icann.org)

The Implementation Recommendation Team (IRT)  
ICANN  
4676 Admiralty Way, Suite 330  
Marina del Ray, California 90292

**Re: Request for Comment on IRT Trademark Protection Draft Report**

To Whom It May Concern:

Verizon Communications Inc. and its subsidiaries (collectively "Verizon"), which are among the world's leading providers of communications and entertainment products and services, are pleased to provide comments on the IRT's preliminary report. Verizon spends many millions of dollars to protect its brands and domain names and to promote VERIZON and its other trademarks throughout the world. As a trademark owner, Verizon is best situated to comment on any recommendations from the IRT on policies, processes and requirements to improve trademark rights.

We appreciate the considerable hard work, detailed proposals and thoughtfulness that went into developing these recommendations, especially in light of the very short deadline. We view these recommendations as a comprehensive set of solutions that must be adopted as a whole. While the IRT has fulfilled its duty of proposing a set of specific rights protections mechanisms, this proposal should not be viewed in any way as an acknowledgment by the trademark community that the widespread introduction of new TLDs are either desirable or should necessarily move forward. As Verizon indicated in its initial comments to ICANN (a copy of which is enclosed), in addition to establishing a comprehensive set of protections to curb trademark abuse at all stages of the TLD process, we believe that ICANN must first address threshold issues before new TLDs are introduced, including: (1) completing an impartial economic study with comprehensive empirical evidence to support the need for new TLDs; (2) addressing concerns about the safety and stability of the Internet; and (3) protecting against malware, phishing and fraud. Only after all these issues are addressed, should ICANN proceed with a rollout, perhaps focusing on a few new international domain names on a trial basis.

With these caveats in mind, we offer the following comments and suggestions in response to the IRT's preliminary report in an attempt to strengthen its recommendations, lower costs and making the proposals less subject to gaming. We note that throughout ICANN's history, cybersquatters and criminals have found ways to monetize and exploit domain names at the expense of both

consumers and businesses. The initial IRT report must be carefully examined with fresh eyes to close any loopholes that would unintentionally permit such monetization and exploitation to take place in the new TLD system.

### **1. Uniform Rapid Suspension System (URS)**

Of all the solutions proposed by the IRT, the availability of a low cost and rapid expedited mechanism appears to be the most important. Verizon in its prior comments to ICANN proposed the idea of an "Expedited Suspension Mechanism."

In the IRT proposal, we like that the process (1) uses a low cost pre-registration system allowing one's trademark to be "on file" for future disputes; (2) uses a simple form; (3) permits the complaint to apply to multiple related entities; (4) lowers fees for batches of domain names owned by the entity; (5) initiates a freeze or lock of the domain name when the URS is initiated; (6) provides notice to the registry operator within 24 hours after filing a complaint; and (7) provides that the third party provider works on a cost recovery basis.

However, we believe that significant further work should be done to strengthen the URS to make it into an effective and practical remedy, which deters gaming of the system. As drafted, the URS unfortunately is neither a "rapid" remedy nor an effective one that provides either a permanent resolution or certainty for the trademark community. One of our most significant concerns is that the URS does not appear to permit a domain name to be transferred back to the trademark owner who initiates the process. In Verizon's experience, while trademark owners should not be forced to transfer every infringing domain name back into their portfolios, many valuable domain names should be permitted to be transferred back to avoid consumer confusion and permanently place such domain names with their rightful owner. In our experience, we have found certain valuable domain names previously registered by cybersquatters will drive substantial traffic back to one's legitimate websites when pointed accordingly. We have had great success in our anti-cybersquatting enforcement activities from reactivating valuable domain names and pointing them back to our primary Verizon webpages. This year, Verizon is on target to drive 9 million new visitors back to our websites as a result of our pointing efforts.

Without the transfer option, the trademark owner would be left to spend money to suspend less valuable domains. Trademark owners will still be forced to increase their costs by filing many new lawsuits or UDRP actions for the more valuable domain names infringed in the new TLD spaces. Moreover, because under the IRT proposal, a registrant can essentially file a small fee and come back at any time during the life of a registration to answer a default judgment, this invites gaming of the system and significant uncertainty. A trademark owner would be placed in a perpetual monitoring situation after having spent the time, effort and money to go through all the proper steps in the URS process. An entire industry may spring up to watch which names are "on hold" and will be dropped by the registry after the domain name registration in the URS process expires. New domainers may pick up the more valuable domain names that are dropped and the URS process will need to be repeated again and again.

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As indicated in our comments to ICANN, Verizon believes a more effective process should permit the trademark owner to either choose to place a domain name on hold or have the domain name transferred back into its portfolio. This choice was also supported by WIPO in its comments. After the trademark owner successfully completes this process, we believe the burden should shift to the registrant who could bring a proceeding at a qualified organization, such as WIPO, to challenge the URS finding. We support that such a procedure be based on a "loser pays" model. The loser pays model would create the appropriate checks and balances and discourage abusive uses by both registrants and trademark owners. As we suggested to ICANN, we believe that registrants who are found to abuse the URS might be subject to a more expedited process in future URS proceedings. Likewise, trademark owners who wrongfully use the process on a continual basis could be barred from any use of the procedure in the future.

As currently drafted, however, all the risk associated with the URS process appears to rest with the trademark owner, who must agree to indemnify all parties based on the representations in the complaint. We recommend that there be some corresponding indemnification offered by the registrant who would choose to institute a proceeding to challenge a URS process as part of a loser pays system.

We are concerned that the URS proposal as drafted permits ICANN to select a single third party dispute provider without any further elaboration on the provider or its qualifications. We request that the IRT recommend some additional qualifications for this sole source provider, including requiring that the provider have no financial connection or affiliation with ICANN, considerable past experience handling international domain name disputes and the financial resources, databases and staff to handle the large number of domain name actions that will inevitably flow from the introduction of new TLDs.

We also recommend that the IRT revisit the recommended timing for its processes. Unfortunately, as now proposed, the URS cannot be considered "rapid." Allowing 14 days from the initial notice for the answer, and additional time for the dispute provider to rule, and a second notice sent by certified mail that is duplicative of the first, all add up to a very lengthy procedure. For some high value domain names, cybersquatters may determine that they can game the timing of the URS and still monetize and exploit the domain name until it is placed on hold. Sending a "certified letter" does not appear to make sense in the international context, and could add weeks on to an already slow process. Given all these various forms of notice, it reinforces the notion that registrants should not be easily able to come back and challenge the URS outside of filing a loser pays filing within the notice period.

Finally, assuming we read the report correctly to suggest that the fee be \$100-200 to apply to 1-100 domains and a lower fee for the next 100-200 domains, this sounds reasonable assuming the trademark owner actually has the ability to transfer valuable domain names back into their portfolio.

## **2. The IP Clearinghouse**

We support the idea of the IP Clearinghouse but caution the IRT to focus on the solutions rather than proposing a structure that essentially creates a particular business model. We question what kind of independent and qualified third parties can competitively bid to perform all the sophisticated functions of the Clearinghouse and still keep costs low for trademark owners. We recommend that the IRT elaborate on what qualifications will be required to run the Clearinghouse other than the stated lack of affiliation with ICANN. Will the Clearinghouse be run on for profit or not for profit basis? We also believe that the technical expertise to run a watching service might be beyond the capabilities of a company who has no history providing this specialized function for trademark owners. Historically, we have been concerned by the high costs for domain name watching services as well as their ability to provide accurate and comprehensive information. Will the watch service be capable of notifying trademark owners of only the exact hits for their brands or will it be nuanced enough to see small but critical distinctions that are nonetheless confusingly similar? We trust the IRT will re-examine this issue and allow existing watch service vendors to provide this service in addition to the Clearinghouse to encourage both competition and choice for the trademark community.

## **3. The Globally Protected Marks List (“GPML”)**

Verizon recognizes that the GPML may play an important part in the overall set of rights protection mechanisms for trademark owners. This proposal, however, only protects the exact variation of one’s particular trademark when the vast majority of infringements may involve the trademark combined with other words or with misspellings (typosquatting) of the mark. At the outset, we would also caution the IRT to make clear that this list should not be viewed as a “famous marks list” or have any effect, intentional or unintentional, in unrelated litigation matters or areas outside of the URS domain name process. Although the Verizon brand could qualify to appear on the list, we imagine that many other brands will not. We believe it would be prudent to lower the number of registrations required to qualify. We also believe it would be unwise to require some evidence (if there is an infringing registration somewhere in the world, which can often happen) that courts have found a particular mark “famous.” Many courts rule on infringement or find cybersquatting without necessarily opining on the fame of a mark. This emphasis on fame also creates an improper perception that the GPML is supposed to be the equivalent of a famous marks list. We hope that the IRT will clarify any negative precedent that might be read into the GPML and will also loosen the restrictions.

In addition, we express concern that the GPML is not a long term solution since it may only provide protection for trademarks that exist or qualify on or before November 1, 2008. The IRT fails to consider that current trademark owners may qualify for the GPML at a later date or the fact that future trademark owners will be excluded by the November 1, 2008 cutoff date. It is also not unusual for trademark owners to adopt new global trademarks by way of corporate rebranding decisions, mergers or acquisitions. Therefore, the GPML should be based on objective criteria to which future global trademarks can be added.

#### **4. Standard Sunrise Registration Process**

We support the use of the IP Clearinghouse in connection with the sunrise registration process, however, we express concern that the IRT fails to address the high costs often charged by registries during this process. In the past, Verizon has paid as much as \$600 per domain name during a sunrise registration process offered by a new TLD registry. The IRT should restrict such high registration fees which are often charged by a new TLD registry.

#### **5. Post Delegation Dispute Mechanism**

As indicated in our comments to ICANN, Verizon supports the inclusion of a post-delegation dispute procedure as proposed by WIPO. We believe this proposal should apply to both registries and registrars. Given ICANN's failure to enforce existing compliance abuses, including the "compliance with laws" section of the RAA (which in the U.S. would include compliance with the Anticybersquatting Consumer Protection Act), we believe such a process is essential. We note the proposal appears to hinge on whether a particular registry is in breach of its agreement. Proving a "breach" is a steep hurdle, especially for a third party to establish. We recommend the third party be able to allege trademark abuse or registry and registrar misconduct.

#### **6. Thick WHOIS**

Verizon strongly endorses the IRT proposal requiring "thick" WHOIS availability in the new TLDs. Access to reliable and accurate contact information is even more necessary in the expanded TLD space, with possibly thousands of new TLDs, new registries, new registrars and millions of registrants who will be located around the globe. The many good solutions proposed by the IRT cannot be effectively used by trademark owners unless they first have access to accurate and reliable WHOIS data.

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We thank you once again for this opportunity to submit these comments and we trust that they will be carefully considered.

Very truly yours,

A handwritten signature in blue ink that reads "Sarah B. Deutsch" followed by a date "1/14/11".

Sarah B. Deutsch

Enclosure



**Sarah B. Deutsch**  
Vice President and Associate General Counsel  
Verizon Communications Inc.



1320 North Court House Road  
9<sup>th</sup> Floor  
Arlington, Virginia 22201

Phone 703 351-3044  
Fax 703 351-3669  
sarah.b.deutsch@verizon.com

April 13, 2009

VIA FEDEX AND EMAIL (2gtld-guide@icann.org)

**Mr. Peter Dengate Thrush, Chairman of the Board of Directors and  
Dr. Paul Twomey, President and CEO  
ICANN  
4676 Admiralty Way, Suite 330  
Marina del Ray, California 90292**

**Re: Request for Public Comment on Revised  
New gTLD Draft Applicant Guidebook**

Dear Mr. Dengate Thrush and Dr. Twomey:

Verizon Communications Inc. and its subsidiaries (collectively "Verizon") appreciate the opportunity to provide comments to the second version of the Draft Application Guidebook ("DAG"). By way of background, Verizon is among the world's leading providers of communications and entertainment products and services. Verizon Wireless owns and operates the nation's largest wireless network, serving more than 80 million voice and data customers. Verizon's wireline operations include Verizon Business, which delivers innovative business solutions to customers over a global IP footprint covering 150 countries across six continents, serves over 70,000 customers, including 98 percent of the Fortune 500, and Verizon Telecom, which brings customers the benefits of converged communications and entertainment products and services over the nation's most advanced fiber-optic network.

Verizon spends many millions of dollars to protect its brands and domain names and to promote VERIZON and its other trademarks in the United States and throughout the world. Given the proliferation of cybersquatting, domain name tasting and kiting over the past number of years, Verizon has expended substantial effort and expense in protecting its valuable intellectual property rights in federal court actions and under the Uniform Domain Name Dispute Resolution Policy ("UDRP"). Many of these enforcement actions have been taken against ICANN accredited registrars.

We are troubled that despite the widespread concerns articulated in response to the first version of the DAG, ICANN has nevertheless introduced a second version of the DAG in an effort to push the process along. Verizon previously endorsed a number of comments submitted in response to the DAG Version 1, including those of the International Trademark Association, MarkMonitor, the National Association of Manufacturers, the US Chamber, CADNA, USCIB and the Internet Commerce Coalition, to name just a few. We will be supporting the detailed comments that many

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business organizations will be submitting to ICANN in response to the latest DAG. But because of our continued concerns about the threshold substantive concerns not addressed in the DAG, we are submitting the following brief comments on our own.

We strongly encourage ICANN to delay any further versions of the DAG and delay its timeline to introduce new gTLDs until fundamental threshold concerns are addressed, including (1) completing an impartial economic study with comprehensive empirical evidence to support the need for new TLDs; (2) addressing concerns about the safety and stability of the Internet; (3) protecting against malware, phishing and fraud; and (4) establishing a comprehensive set of protections to curb trademark abuse at all stages of the new TLD process. Until all these issues are adequately resolved, ICANN should limit any new rollout to perhaps a few select International Domain Names (IDNs) on a trial basis.

We understand that the newly created Implementation Recommendation Team (IRT) will work to develop and propose solutions to the overarching issue of trademark rights protection in connection with the introduction of new gTLDs. In doing so, the IRT must recommend policies, processes and requirements to improve trademark rights that reflect the views of the trademark community at large. Because the introduction of potentially thousands of new TLDs creates a comprehensive set of infringement and enforcement problems for trademark owners at all stages of the process, it is critical that the IRT's recommendations supply trademark owners with low or no cost remedies that scale in the new TLD system. This bundle of recommended protections should be available at both the pre and post-delegation phases and apply to both first and second level domains. ICANN should also accord significant deference to the collective package of recommendations from the trademark community. Trademark owners are best situated to assess which solutions provide realistic brand protection in a future that may include potentially thousands of new TLDs. ICANN should adopt the broad set of solutions and should not view the trademark community's recommendations as a negotiation where critical remedies are tossed aside. Rights protection measures must be no-cost or lowest-cost based, and should not be leveraged into further opportunities for monetization by registries and registrars at the expense of the trademark community.

Some of the most fundamental rights protection measures needed to address trademark concerns should include:

### **1. Expedited Suspension Mechanism**

Verizon supports the idea, building upon the discussion draft submitted by WIPO, for an Expedited Suspension Mechanism to address rampant cybersquatting in the new TLDs. Given the cybersquatting epidemic that continues to flourish in the existing TLD space, we expect the introduction of new TLDs to result in millions of new infringements for brand holders. Cybersquatting will continue to include both identical uses of well-known trademarks as well as countless typosquatted variations of trademarks either alone or in combination with other words that consumers use to reach a trusted source online.

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We therefore support the idea of a no or low cost and expedited suspension mechanism. We note that such a procedure would differ considerably from the Digital Millennium Copyright Act's ("DMCA") "notice and take down" procedure in several important respects. First, a registry or registrar must put in place a formal and written notification procedure to address trademark abuse so that trademark owners may notify the registry (and provide the necessary proof of trademark rights and a declaration under penalty of perjury) of a domain name infringement and use in bad faith. Unlike the DMCA's take down procedure, upon receipt of such a notice, the registry or registrar would not automatically remove the domain name, but would initially lock that domain to ensure it could not be transferred. The registrar or registry would provide notification to the registrant and provide the registrant with time to respond. If the registrant fails to respond, the domain name would either be placed on a reserved list or transferred to the trademark owner, based on the trademark owner's preference. If the registrant does respond and objects, both parties would proceed to a dispute resolution procedure administered by qualified organizations (such as WIPO) to determine whether to approve the expedited suspension. Verizon would support such procedure be based on a "loser pays" model. The loser pays model would add to the appropriate checks and balances in the process and discourage abusive uses of both the Expedited Suspension Mechanism or the counter-notification process.

Registrants who are continually found to be subject to the Expedited Suspension Mechanism might be subject to a more expedited form of suspension for future abuses based on the history of their prior misconduct. Likewise, a trademark owner who is found to wrongfully use the process on a continual basis might also be barred from using the procedure in the future.

Such a mechanism must be administered on a cost-recovery basis only and should not be used as an opportunity by the contracting parties as yet another avenue for monetization at the expense of the trademark community. Registrars and registries are not qualified to provide dispute resolution services and should not have any financial stake in the provision of such services. The mechanism must be able to address quickly the thousands of instances of cybersquatting that will inevitably occur in the new TLDs and work as a deterrent rather than a loophole that merely encourages more abuse. A variation of the Expedited Suspension Mechanism could be considered as a solution phishing, frauds and other abuses, but would need to be conducted more quickly to prevent criminal activity.

## **2. Creation of a gTLD Reserved List ("White List")**

ICANN should also consider the creation of a Reserved or White List for global trademark owners both for the names of new gTLDs as well as at the second level within each new gTLD. This kind of solution would, at a minimum, prevent the registration of one's identical valuable global trademark in each new TLDs. We support many of the criteria proposed in prior comments to determine when a trademark would be placed on the Reserved List and look forward to the recommendations of the IRT in this regard. We support INTA's concern that the Reserved List be available to many global trademark owners who can prove that their marks have historically been subject to cybersquatting and not turn the list into a famous or well-known mark list. The



implementation of such a list will minimize, if not remove, the need for defensive registrations of key trademarks.

### **3. Post-Delegation Dispute Resolution Procedures**

Trademark abuses will likely occur, intentionally or unintentionally, in the post-delegation phase. ICANN should therefore support the adoption of the post-delegation dispute resolution procedures proposed by WIPO. See <http://www.wipo.int/export/sites/www/amc/en/docs/icann130309.pdf>. We believe this procedure should be applied to both registries and registrars. Given the scarce resources available to ICANN today to address registrar compliance abuses (including violation of the "compliance with laws" section of the RAA), the availability of a self-help mechanism such as that proposed by WIPO, will be an essential tool. Adherence to this policy should be required by ICANN under each new Registry and Registrar Agreement. In such proceedings, as in the Expedited Suspension Mechanism, a loser pays model could help deter abuses of the process.

These are only some of the important rights protections mechanisms that could be invaluable to trademark owners, and we look forward to a discussion of the fuller list of mechanisms after completion of the work by the IRT.

We also identify below a number of other important concerns that have yet to be addressed regarding both the pre-delegation and post-delegation stages of the new TLD process:

#### **1. Applicant Restrictions & Investigations**

It is important that a thorough investigation be conducted of all applicants to ensure that each applicant (including current and past business entities, affiliates or shell companies or those individuals who partner with or invest in each applicant) has not engaged in any unlawful activities, whether criminal or civil, including cybersquatting. In particular, known registrants and registrars who have been subject to injunctive orders from federal courts or been subject to multiple UDRP decisions for engaging in cybersquatting must be excluded from the application process.

#### **2. TLD Justification Requirement**

Each applicant must provide a detailed analysis justifying a request to establish a new TLD. Such an analysis should identify any risks to the health and safety of consumers, the impact on the stability of the Internet, as well as any economic benefit offered by the proposed TLD. The current global economic recession should be treated as a presumption that strongly weighs against any widespread introduction of new gTLDs.

#### **3. "Measures Against Abuse" Standardized**

Allowing each registry to define its own policies for policing, managing and remediating abuse complaints would result in inefficiencies and confusion. Therefore, ICANN should create standard mechanisms, including adoption of the post-delegation dispute resolution procedure suggested by WIPO. In addition, outside of the de-accreditation process, ICANN should explain how it intends

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to expand and improve its own internal compliance activities to deal with future registry and registrar abuses. ICANN must ensure that there are adequate means to issue sanctions and punishments to any registrar or registry that engages in unlawful activities, including cyberquatting.

#### **4. Price Controls (Price Caps) for TLD Operators**

New TLD registries could use price discrimination as a tool to harm trademark owners and consumers. The RFP process and proposed registry agreements should include provisions that would enable ICANN to prevent new registry operators from harming businesses and consumers.

The absence of price caps will not only affect the costs for trademark owners to register in the new TLDs, but will trigger a call by the large existing TLD operators to invoke the "equal treatment" clause in their registry agreements with ICANN. For example, the equal treatment clause in Verisign's registry agreement provides as follows:

*"Equitable Treatment. ICANN shall not apply standards, policies, procedures or practices arbitrarily, unjustifiably, or inequitably and shall not single out Registry Operator for disparate treatment unless justified by substantial and reasonable cause."*

If new TLD registries were permitted to operate without price caps, existing registries might claim that such disparate treatment is not "justified by substantial and reasonable cause." Verisign should not be able to increase (either dramatically or incrementally over time) the costs for renewing important domain names owned by trademark owners, many of whom have tens of thousands of domain names in their portfolios. Because .com is still considered premier real estate, it is not a realistic option for trademark owners to fail to renew their important domain names. These domain name addresses are the equivalent of their online identities. Their .com identities are well inscribed in the minds of consumers as the first place to find their goods and services on the Internet. Nor should registries be allowed to speculate in new domains by charging costs based on the fame of the trademark or on discriminatory determinations of what they believe the market could bear.

#### **5. Put in Place a Hold on Proposed Roll Out in Late-2009:**

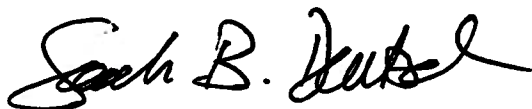
Finally, Verizon would like to address ICANN's firm commitment to implement its new TLD program in late-2009. There remain many unanswered questions related to whether sufficient due diligence has been conducted to evidence the demand for new TLDs, and, if so, whether now is the time to launch such a costly and expansive initiative. Until all threshold concerns have been addressed to protect global businesses and consumers effectively, ICANN should not proceed with any widespread launch of new TLDs (with the possible exception of a few select IDNs on a trial basis).

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We thank you once again for this opportunity to contribute these comments and urge ICANN to more carefully consider the effects of new TLDs before their proposed roll out in late-2009.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sarah B. Deutsch". The signature is fluid and cursive, with a large initial "S" and "D".

Sarah B. Deutsch