

INTA Internet Committee Comments on the
New gTLD Applicant Support Program: Financial Assistance
January 10, 2012

The Internet Committee of the International Trademark Association (the Committee) is pleased to provide comments on the implementation plans for the gTLD Applicant Support Program (the Support Program).

The Committee supports the previous comments of the Intellectual Property Constituency (IPC) that applicants for “.brand” and trademark-related new gTLDs should not be excluded from the Support Program. This exclusionary provision will not further the public interest because it will disqualify needy and worthy applicants from support, such as Non-Governmental Organizations (NGOs), simply because those entities are applying for a new gTLD that relates to their intellectual property rights. See the comments of the Intellectual Property Constituency (IPC) on the Joint Applicant Support –Working Group (JAS-WG) Second Milestone Report, available at http://ipconstituency.org/PDFs/Final_IPC-Comments_JAS_WG.pdf

The JAS-WG Final Report

The JAS-WG Final Report recommendation includes a form of trademark exclusion from the Support Program. Item 68 of the Final Report states:

Ineligibility Criteria

68. The candidate must *not* be:

a) An applicant for a gTLD string that is not a generic word intended to reference a specific commercial entity (commonly referred to within ICANN as a "dot-brand");

- **However, applications for community names that may be subject to legal trademark protection are not necessarily disqualified from receiving support;**

While we believe this language is troublesome, it is at least limited to “commercial entities” and to words “intended to reference” those entities; in addition, an exception is provided for “community names”.

ICANN's Applicant Support Criteria

Unfortunately, the Applicant Support Criteria prepared by ICANN staff does not follow the recommendations of the JAS-WG Final Report in this important regard, because it excludes a broader range of potential applicants from receiving financial assistance.¹ The exclusionary provision as developed by ICANN Staff, under "Support Criteria" indicates:

Candidates applying for the following will be excluded from consideration if they are:

applying for a gTLD string that is intended to reference a trademarked brand;

However, the important limitations on this provision, as found in the Final JAS-WG Final Report, have not been included in the staff's implementation documents. Furthermore, the staff's "Support Criteria" uses an ambiguous term – "trademarked brand" – with no real legal meaning.

This raises various questions, such as: "Will this rule be limited to registered trademarks or could it also include "common law" trademarks? Would it matter whether the applicant had filed a trademark application or put a "TM" next to the applied-for string? Will this be limited to "brands" used to identify goods and services or will it include all entity names? For example, is "Doctors Without Borders" (a registered trademark) a "trademarked brand"? How about "Occupy Wall Street" (no registration or use of "TM," but an application has been filed)? What does it mean to "reference a trademarked brand" (Support Criteria) as opposed to "reference a specific entity" (Final Report)? What if "Occupy Wall Street" applied for ".occupy"? What if an otherwise deserving applicant had the foresight to apply for a trademark registration for ".LIFE", ".FOOD" or ".MUSIC"? Ambiguities abound.

Under these criteria, any string that resembled the name of an applicant or the name of a public service they provide could be a "trademarked brand" and thus ineligible for support. Even clear cases are unfair -- many non-profits and NGOs, even small ones and those in developing countries, have registered their name as a trademark. Disqualifying these groups because they have protected their important asset lacks any logical policy rationale. Since ineligible Support applicants are subject to disqualification from the entire new gTLD program, this ambiguity will tend to have a "chilling effect" on any potential applicant whose string could in any way be identified as a

¹ See <http://www.icann.org/en/topics/new-gtlds/draft-applicant-support-criteria-10dec11-en.pdf>

This language is also found on page 4 of the Draft Financial Assistance Handbook. See <http://www.icann.org/en/topics/new-gtlds/draft-financial-assistance-handbook-20dec11-en.pdf>

“brand”. The penalty for being branded as a trademark owner has never been more severe in ICANN policy.

It is unclear how these expanded criteria have been developed – much of the work of the ICANN staff and Board in this area lacks transparency and is not available for public review. Furthermore, when the ICANN Board approved the Applicant Support Program, the “Rationale for Resolution”² accompanying the resolution states:

The criteria (demonstrating need and operating in the public benefit) follow JAS recommendations.

No mention is made of the rule that excludes .brand applicants from support. Given how the Applicant Support Criteria that came before the Board differ from the JAS-WG Final Report, this statement is clearly incorrect on its face – the criteria do not follow the JAS-WG Final Report in this important regard.

The Draft Financial Assistance Handbook

Moreover, the Draft Financial Assistance Handbook criteria (prepared after the Board approved the program) are even broader than the criteria in the Support Criteria document.³ This inconsistency may attest to the haste with which the trademark exclusion was added to this program. The Handbook language would exclude any applicant who:

Is applying for a gTLD string that is intended to reference a **trademark or** trademarked brand. [emphasis added]

While it is not entirely clear what the difference is between a “trademark” and a “trademarked brand,” the underlying message is clear – if your string can in any way be identified as a trademark, you are disqualified from the Financial Assistance Program. If every organization's name serves a source-identifying function (a brand), every organization would be disqualified from applying for assistance for strings consisting of or “referencing” that name. So, a “.charity” or “.firstaid” or “.relief” string might be acceptable (depending on the name of the applicant), but “.redcross” or “.oxfam” or “.charitywater” would be ineligible.

² See <http://www.icann.org/en/minutes/resolutions-08dec11-en.htm>

³ See <http://www.icann.org/en/topics/new-gtlds/draft-financial-assistance-handbook-20dec11-en.pdf>.

This “creeping” trademark exclusion is disturbing both substantively and procedurally. Nowhere is this exclusion justified or explained to the public or to applicants that will be impacted by this rule. As expressed previously by the IPC, the Committee supports Eligibility Rules for the Support Program that are based on the financial need of the applicant and other criteria to establish service in the public interest. Worthy applicants should not be barred simply because their string “references” their name or the name of a public service they provide.

Congressional Hearings

Finally, we note this very topic was discussed in a recent Congressional hearing on ICANN’s Program for introducing new gTLDs held in the United States Senate. In response to a question raised by Senator Amy Klobuchar (D-MN), regarding the difficulties that non-profit organizations will face competing in the new gTLD Program, and in particular, whether they will “...have to pay that much money?” ICANN’s witness, Vice President Kurt Pritz testified, “well, there are really two answers to that question...one is the \$185,000 is a cost-based fee....but also, ICANN has a Support Program that the Board just recently approved, that for certain deserving candidates, the application fee will be lowered from \$187,000 to \$47,000”.⁴

To address the issue of costs, this testimony implies that ICANN intends to provide support to applicants from the non-profit community that may need to protect or promote their brands and services in the new gTLD space. The testimony does not state that otherwise deserving applicants will be disqualified if their string “references a trademark or trademark brand,” such as the applicant’s name or programs. We ask for this inconsistency to be clarified and addressed, before ICANN moves forward in denying support to the very applicants it told the U.S. Congress ICANN would assist.

This inconsistency, coupled with the contradictions between the Draft Financial Assistance Handbook and the Support Criteria, and between the Support Criteria and the Final Report,

⁴ United States Senate, Committee on Commerce, Science, & Transportation. *Hearing on ICANN's Expansion of Top Level Domains*. 12/08/11. Available at: http://commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=22f4a71e-93e9-4711-acec-3ed7f52277cc&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a

demonstrates that this program has been assembled in haste. Given that there is no expressed rationale for the “trademark exclusion,” it is clear that the Applicant Support Process needs further time and consideration, including appropriate time for consideration of comments.

Conclusion

For the reasons stated above, the Committee strongly recommends removing the prohibition against brand owners and trademark-related strings in the New gTLD Applicant Support Program.

Thank you for considering our views on this important issue. If you have any questions regarding our submission, please contact INTA External Relations Manager, Claudio Digangi at: cdigangi@inta.org

About INTA & The Internet Committee

The International Trademark Association (INTA) is a more than 131-year-old global organization with members in over 190 countries. One of INTA’s key goals is the promotion and protection of trademarks as a primary means for consumers to make informed choices regarding the products and services they purchase. During the last decade, INTA has served as a leading voice for trademark owners in the development of cyberspace, including as a founding member of ICANN’s Intellectual Property Constituency (IPC).

INTA’s Internet Committee is a group of over two hundred trademark owners and professionals from around the world charged with evaluating treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet, and unfair competition on the Internet, whose mission is to advance the balanced protection of trademarks on the Internet.