



## REPLY COMMENTS OF THE ASSOCIATION OF NATIONAL ADVERTISERS (ANA) REGARDING THE TRADEMARK CLEARINGHOUSE “STRAWMAN” PROPOSAL AND LIMITED PREVENTATIVE REGISTRATIONS

ANA provides these reply comments regarding the Trademark Clearinghouse (TMCH) Strawman and Limited Preventative Registration (LPR) proposals for the guidance of the Generic Names Supporting Organization (GNSO), Mr. Fadi Chehadé, and ICANN generally.

We have reviewed the various comments submitted with regard to these proposals and we are encouraged that the comment docket reflects overwhelming support for the LPR and the Strawman proposals. More than 60 companies and leading professional and industry groups representing a wide variety of industry sectors (consumer finance, technology, professional sports, food and beverages and healthcare, to name a few) submitted comments in favor of these proposals and identified the LPR as a *critically necessary protection* for brandowners. This overwhelming support for the LPR demonstrates that consumer-facing brands need additional rights protection mechanisms (RPMs) that reduce the burden on companies to defensively register domain names. Few (if any) companies can shoulder the burden of defensive registrations with over 1,000 possible new gTLDs. Companies large and small have stated in their comments, on the record, that consumers will be harmed if the new gTLDs are implemented as proposed.

The Affirmation of Commitments requires Mr. Chehadé, as President and CEO of ICANN, the ICANN Board and the GNSO Council to improve RPMs and to do so before the new gTLDs are delegated into the root. The Affirmation of Commitments, ICANN’s highest legal authority, requires that consumer protection issues be adequately addressed prior to implementation:

*ICANN will ensure that as it contemplates expanding the top-level domain space, the various issues that are involved (including competition, **consumer protection, security, stability and resiliency, malicious abuse issues, sovereignty concerns, and rights protection**) will be **adequately addressed prior to implementation**.<sup>1</sup>*

This obligation must be met, as the new gTLD program could foster consumer harm online. Substance must take precedence over procedure. If ICANN permits procedural issues to take priority over its substantive mandates, ICANN will lose its credibility and effectiveness as an organization, and its very existence may be at risk.

Detractors use procedural arguments to dismiss the additional RPMs that have been proposed, claiming that the for-profit and non-profit branded communities are “too late,” discussing “policy matters” instead of “implementation” decisions. These arguments are procedural

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<sup>1</sup> Affirmation of Commitments by the US Department of Commerce and ICANN, Section 9.3 available at: <http://www.icann.org/en/about/agreements/aoc/affirmation-of-commitments-30sep09-en.pdf> (emphasis added)

distractions, and the Internet stakeholder community requires that ICANN ensure that consumers will be protected within the new gTLDs and that its obligations under the Affirmation of Commitments are satisfied.

Those opposed to the LPR and the Strawman stick to procedural arguments and technical difficulties because they cannot refute that a serious problem exists. Brandowners, government agencies and others have unequivocally stated that consumer protection, security, malicious abuse and trademark rights protection concerns will exist within the new gTLD program. In fact, on this very docket, no commenters have disputed that consumers could be harmed by increased fraud in the new gTLDs and that billions of dollars in defensive registrations will be needed by industry to protect consumers. In fact, it is quite the opposite. Even those who do not support the Strawman and LPR proposals recognize that the consumer harm and rights protection concerns raised in this context have “some basis, as demonstrated by the significant level of defensive registrations within existing TLDs as well as ongoing UDRP activity.” (See ALAC Statement of the Trademark Clearinghouse Strawman Solution at: <http://forum.icann.org/lists/tmch-strawman/pdf/qxybf3LMy.pdf>). Furthermore, within the marketplace, some registrars catering to those seeking a domain name are even advertising and counting on a continued high level of defensive registrations in the new gTLDs, and are offering commercially suspect new gTLD pre-registration products. See Appendix A. Fraud warnings have already been issued on new gTLDs, even in the early preregistration stages by registries and registrars. See e.g., Appendix B. The delegation stage for any of the new gTLDs has not even begun, and it is clear already that, without increased RPMs, the system will not protect consumers and brandholders.

Although the comments do focus on form over substance, we have addressed three comments encompassing arguments that necessitate our specific response.

### Registrar Stakeholder Group Comment

The Registrar Stakeholder Group (RrSG) submitted comments found at <http://forum.icann.org/lists/tmch-strawman/pdf/kmTRczpn65.pdf>. Our replies to RrSG’s main points are as follows:

- **The Strawman proposal is a policy matter and “deserves” consultation as a policy matter before the GNSO.**
  - This distinction obscures what must occur: given that significant consumer harm is at stake, the Affirmation of Commitments demands that this issue (regardless of whether it is “policy” or “implementation”) be resolved prior to the new gTLD deployment.
    - Section 1.2.11 of the ICANN Applicant Guidebook clearly states that “ICANN reserves the right to make reasonable updates and changes to the Applicant Guidebook at any time, including as the possible result of new technical standards, reference documents, or *policies that might be adopted during the course of the application process*” (emphasis added).
    - Consumer protection and brand protection issues are important considerations under the Affirmation of Commitments and cannot be dismissed due to “lack of time.”



minimize their participation. We agree that logistics could have been handled better; however, these difficulties affected participation by the IPC and BC as well.

- It is ironic to note that the RrSG cites Larry Strickling's letter of January 3, 2012 on behalf of the NTIA ([http://www.ntia.doc.gov/files/ntia/publications/ntia\\_letter\\_on\\_gtld\\_program\\_jan\\_3\\_2012.pdf](http://www.ntia.doc.gov/files/ntia/publications/ntia_letter_on_gtld_program_jan_3_2012.pdf)) to emphasize that trademark policy should have been developed earlier. We note that, as earlier attempts at robust RPMs were consistently blocked or diluted during the entire new gTLD process (including, during 2011 and 2012), rightsholders had no choice but to continue to pursue effective RPMs. Adequate consumer protections must be provided, if ICANN is to succeed in its mission. U.S. and international consumer protection and law enforcement entities consistently make this point.
- **LPRs are a “blocking mechanism.”**
  - An LPR is clearly not a blocking mechanism. An LPR is a registration. It is essentially a form of Sunrise registration, and it is only available in a given gTLD to applicants eligible for the Sunrise in that particular gTLD. The only differences between an LPR and a traditional Sunrise registration are that the LPR is non-resolving, it is cheaper, and it is procured through a streamlined platform.
  - The term “blocking mechanism” is a “scare word” in ICANN circles; it is an artificial and pejorative label used to keep stakeholders from reaching substantive debate.

### **Non-Commercial Stakeholders Group (NCSG)**

The NCSG submitted comments found at <http://forum.icann.org/lists/tmch-strawman/pdftSIVg0aabo.pdf>. Our replies to NCSG's main points are as follows.

- **The current RPMs were reached by unanimous agreement and should not be upset.**
  - Given the vast number of proposed new gTLDs, the comments demonstrate that companies and governments are still becoming aware of the massive burden that will be imposed on consumers, commercial interests and governments by this ill-advised plan, which does not provide adequate protections for consumers or rightsholders. Therefore, this effort to improve the RPMs should not be viewed as a “second bite at the apple;” it is a commercial and legal necessity for ICANN.
  - The current RPMs are a poor compromise, and to label them a “unanimous agreement” belies the facts.
- ***“TM Claims chills speech, harms freedom of expression rights of domain name registrants and scares new businesses, entrepreneurs, budding organizations and community groups.”***
  - These extreme claims are made without any evidence. Wrapping trademark infringement in the flag of the First Amendment and freedom of speech is either disingenuous or cynical. Trademark enforcement does not chill speech (at least not legal speech). Any party that wishes to put its content on the web may do so, untouched by any domain name policy. A domain name is at best a very limited form of “expression,” and if the applicant party has a legitimate, good faith

reason to pick a domain name identical to a trademark, that will not be affected by any of the Strawman proposals or the LPR. Certainly, the fact that trademark registrants have a Sunrise will tend to give them first choice of domain names identical to their trademarks, but that is not amplified by the LPR or the Strawman. The LPR does not grant any additional rights to brandowners; it just makes the exercise of existing rights easier and more cost-effective.

- **TM+50 amplifies risks, concerns and rights-infringement in an enormous and unpredictable way.**
  - The NCSG completely ignores the underlying concern: that the vast majority of cybersquatting is done through the use of variants rather than domains identical to registered trademarks.
  - The “TM+50” will only be available under very narrow circumstances, where a string has already been the subject of a successful litigation or uniform domain-name dispute-resolution policy (UDRP). There is nothing “enormous” or particularly “unpredictable” about it.
- **LPRs are ‘blocking’ mechanisms and create a “super trademark beyond any known existing law or policy.”**
  - We have addressed the “blocking” argument above. The idea of a “super-trademark” is a scare tactic. It is no more true of the TMCH, the Strawman, or the LPRs than it is of UDRPs generally, which are a core RPM well accepted by this time.
- **Names like “apple” that could be used for computers or fruit companies would be blocked regardless of context. The LPR presumes the “guilt” of a prospective registrant.**
  - This is really a function of the binary nature of domain names and has nothing to do with RPMs, the TMCH or LPRs. If there are multiple trademark holders for “apple,” only one will secure apple.tld. The others can obtain variations, such as appleinc.tld. This is unchanged from the current system.
  - LPRs have nothing to do with guilt or innocence of other potential registrants.
- **LPRs were “strongly opposed” in the Los Angeles meeting.**
  - It is our understanding that LPRs also received strong support from important constituencies at the Los Angeles meeting.
  - We believe that any resistance to the LPR proposal in LA was not based on consideration of the particular proposals being made, and failed to take into account ICANN’s obligations under the Affirmation of Commitments.
  - We welcome productive discussions to improve LPRs and other proposals.
- **The Strawman and LPRs are policy.**
  - This has also been addressed above (regarding the RrSG comments).

### **New TLD Applicant Group (NTAG) Comments**

The NTAG comments submitted comments found at <http://forum.icann.org/lists/tmch-strawman/msg00014.html>. As a general matter, we are concerned with the make-up of the NTAG group. While it purports to represent all new TLD applicants, it is clear from both a review

of its membership and its comments that the NTAG group does not represent the interest of “.brand” new gTLDs. Of nearly 100 members, only around 6 can be identified as “.brands.” This is highlighted by the fact that many comments by new .brand applicants suggested the need for greater RPMs. Also, Microsoft and professional sports groups (NFL/NBA/NHL) specifically mention that they disagree with NTAG. Our replies to the NTAG’s main points are as follows.

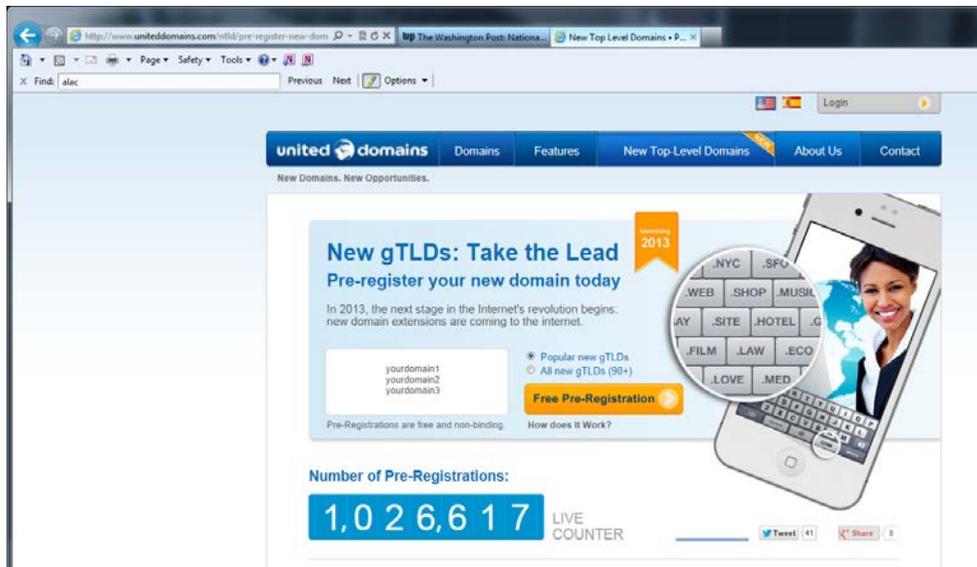
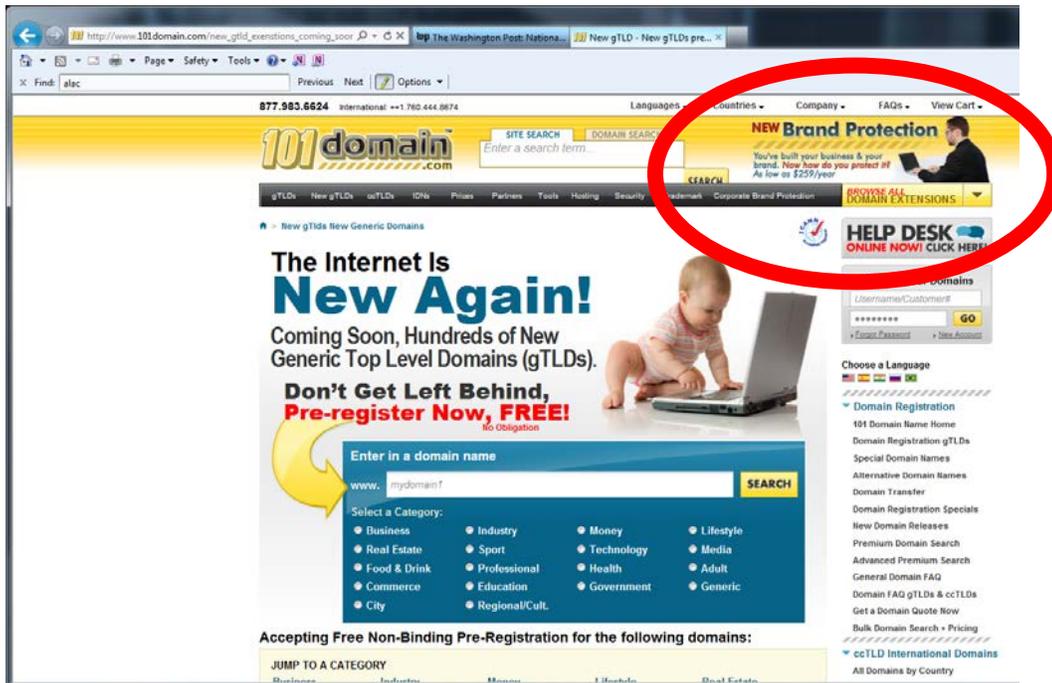
- **Its constituency does not support “last-minute material changes to the RPMs in the Applicant Guidebook.”**
  - The Applicant Guidebook contemplates that changes will be made in implementation, and a number of changes have already been adopted. These suggested revisions to the TMCH and Sunrise are not “material” changes, but they will offer a lower-cost alternative to the traditional Sunrise and thus reduce revenues from some NTAG members who will be operating open domains.
  
- **This is a policy matter.**
  - This issue has been addressed above (regarding the RrSG comments).
  
- **The LPR is a “blocking” mechanism.**
  - This issue has been addressed above (regarding the NCSG comments). However, it is interesting to note that NTAG essentially makes no comments on this point, perhaps because it believes invoking the mere specter of a “blocking” mechanism will be sufficient to turn ICANN against the LPRs.

We appreciate the opportunity to submit these reply comments.

In closing, we find that these and other comments opposed to the Strawman proposal and LPRs largely miss the point. They do not address the real problem: the current RPMs for the new gTLDs fail to meet ICANN’s obligations to consumers under the Affirmation of Commitments, and they do not provide sufficient protection for consumers and brandholders. As such, Mr. Chehadé and ICANN are obligated to move forward with implementing LPRs (or similar RPMs) as a necessary consumer protection, and also to implement the Strawman proposal (modified as set forth in our initial comments). Consumers, Internet users and brandowners deserve no less.

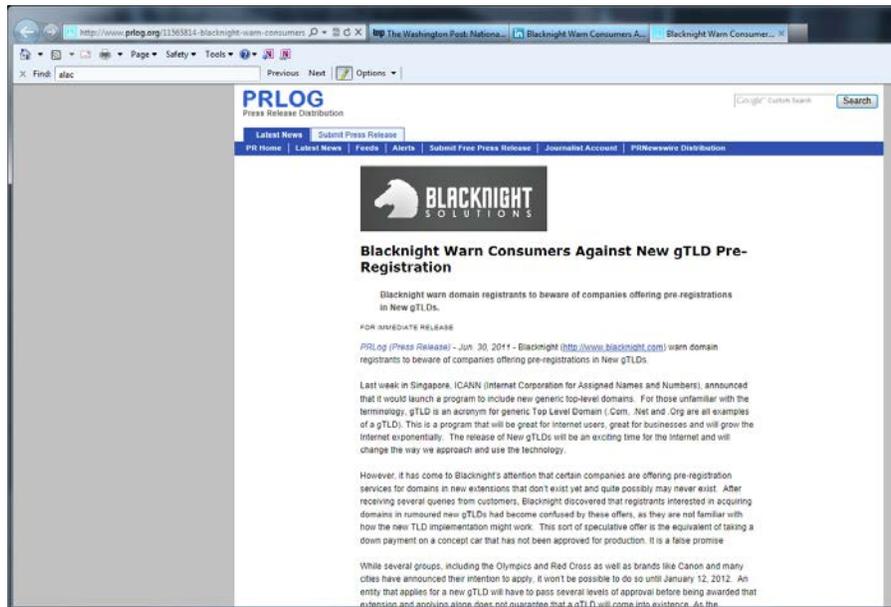
# APPENDIX A

## New gTLD Pre-Registration Services



## Appendix B

### Example of a Fraud Warning Against new gTLD Pre-Registration



The screenshot shows a web browser window displaying a press release from PRLOG. The browser's address bar shows the URL: <http://www.prlog.org/11365814-blacknight-warn-consumers>. The PRLOG logo is at the top left, and a search bar is at the top right. The main content area features a logo for Blacknight Solutions, which includes a silhouette of a horse head. Below the logo is the title "Blacknight Warn Consumers Against New gTLD Pre-Registration". The text of the press release is as follows:

Blacknight warn domain registrants to beware of companies offering pre-registrations in New gTLDs.

FOR IMMEDIATE RELEASE

PRLog (Press Release) - Jun 30, 2011 - Blacknight (<http://www.blacknight.com>) warn domain registrants to beware of companies offering pre-registrations in New gTLDs.

Last week in Singapore, ICANN (Internet Corporation for Assigned Names and Numbers), announced that it would launch a program to include new generic top-level domains. For those unfamiliar with the terminology, gTLD is an acronym for generic Top Level Domain (.Com, .Net and .Org are all examples of a gTLD). This is a program that will be great for internet users, great for businesses and will grow the internet exponentially. The release of New gTLDs will be an exciting time for the internet and will change the way we approach and use the technology.

However, it has come to Blacknight's attention that certain companies are offering pre-registration services for domains in new extensions that don't exist yet and quite possibly may never exist. After receiving several queries from customers, Blacknight discovered that registrants interested in acquiring domains in rumoured new gTLDs had become confused by these offers, as they are not familiar with how the new TLD implementation might work. This sort of speculative offer is the equivalent of taking a down payment on a concept car that has not been approved for production. It is a false promise.

While several groups, including the Olympics and Red Cross as well as brands like Canon and many cities have announced their intention to apply, it won't be possible to do so until January 12, 2012. An entity that applies for a new gTLD will have to pass several levels of approval before being awarded that extension and applying alone does not guarantee that a gTLD will come into existence. As the