



CADNA Comment: Strawman Model/Limited Preventative Registration

When the global community or “the public” uses the Internet, it does so as a body of consumers: consumers of content and information, and consumers of goods and services. As a coalition of companies that both create and consume content, goods, and services via the Internet, CADNA believes that *Internet governance serves the public interest by ensuring the safety of consumers looking to interact with secure, authentic content*. To this end, CADNA supports the protection of intellectual property online and, more specifically, the enhancement of rights protection mechanisms in the New gTLD Program.

Mechanisms such as advance warnings about new gTLD sunrise periods and the inclusion of previously abused domain names in Trademark Claims services, as proposed in the Strawman Model, will help protect the safety and reliability of e-commerce in the new gTLD space and serve the public interest.

While CADNA supports ICANN’s efforts to provide brands with the tools to better monitor gTLD launches, react to infringements, and protect consumers through the proposed Model, the Strawman Model should also include the following key measures:

Extending the Trademark Claims Service - Indefinitely

The Trademark Claims service should be extended indefinitely, as notices provided by the Trademark Claims services are valuable to registrants and trademark holders whenever a domain name is registered, not just during the launch period. Also, any cost to brand owners should be minimal.

The Inclusion of a Proactive Protection - The Limited Preventative Registration

As CADNA wrote in its September letter to the NTIA, which it submitted to the GAC and the ICANN board, the Coalition urges ICANN to require that all open registries implement a block mechanism similar to the block offered by ICM Registry or a DPML.

Whereas brands are already defensively registering domain names containing their trademarks in the current space (in order to prevent bad actors from registering them and using them to dupe consumers), a newly expanded space that may contain an additional 1,398 unique strings will change the way that brands will have to police the landscape. In



particular, brands will have to concern themselves with how to approach defensive registrations in "open," generic gTLDs.

If a trademark owner has 5 trademarks to protect at roughly \$200 per registration (the cost of a perpetual sunrise block or the cost for the first two years of a standard sunrise registration), it should expect to pay \$550,000 to secure its names across the 550 new gTLD registries that will be generic-term, "open" registry models, where cybersquatting, and the malicious practices that accompany it, can occur.

.XXX, the most recent TLD to launch, sold over 80,000 domain names in its 2011 "Sunrise B" for trademark owners. If this level of participation by the trademark community continues in the new open, generic-term gTLDs, the cost to businesses could be USD 8.8 billion in Year 1. Given that roughly half of all new registries will have a block option during the sunrise period and half will not, the cost to businesses over 10 years (again, if they continue to invest like they have recently) is currently calculated as follows: $(1)(8.8B) + (8)(2.2B) = \text{USD } 26.4 \text{ billion}$. This is a sum that the business community clearly cannot be expected to bear; therefore, rather than forcing businesses to pay an average annual fee of USD 2.64 billion, or USD 26.4 billion over the next ten years, CADNA proposes that new gTLD registries be required to offer perpetual block products across the board. This would eliminate the yearly renewal fees in the approximately 275 gTLDs that do not currently plan on offering a block option, lowering the annual cost of basic brand and consumer protection down from USD 2.64 billion per year to just USD 0.88 billion per year over the same ten-year period. Overall, this would save brand owners, who are caught in the middle of the gTLD expansion, USD 17.6 billion.

A "trademark block option" or "limited preventative registration" would allow brand owners to protect their consumers for a more manageable fee.