

Rod Beckstrom
Internet Corporation for Assigned Names and Numbers (ICANN)
4676 Admiralty Way, Suite 330
Marina del Rey, CA 90292-6601
USA

Your reference
gTLD

Our reference
S002716

Date
12 January 2011

New gTLDs – gTLD Applicant Guidebook

We refer to our previous letters regarding the Draft Applicant Guidebook and the IRT Report. In all our previous letters we have raised serious concerns regarding the release of the new gTLDs and unfortunately, it seems that none of our concerns have been dealt with by ICANN so far and the proposed final version of the gTLD Applicant Guidebook makes it apparent that ICANN might not deal with the concerns of trademark owners as there are still no proper rights protection mechanisms in this proposed final version.

The Trademark Clearinghouse is NOT a rights protection mechanism but just a database. Such a database does not solve the overarching trademark issues that were intended to be addressed. Instead the Trademark Clearinghouse promotes the need for defensive registrations. It thus seems to go directly against the premises of the work on the overarching issues, namely to lessen the burden of trademark owners who do not want more defensive registrations.

The proposed final version still contains the two so-called rights protections mechanisms that are, however, neither new nor sufficient. Sunrise and Trademark Claims services are in existence today. Neither of these mechanisms have proven sufficient to hinder or even reduce the number of domain names registered in bad faith. Furthermore, both mechanisms are pre-launch and need also to be post-launch to have any real value. Moreover, the “matching” taking place in connection with the Trademark Claims service is limited to exact matches, which is clearly insufficient as most cyber-squatting is not an exact match.

The proposed final version also still provides for a difference as regards the trademarks which are recognized within the Trademark Claims and Sunrise services. The first service recognizes registered trademarks while the second service only recognizes trademarks that are registered in countries conducting a so-called substantive review or examination. There is no explanation for this difference which means that all CTMs and most national European trademarks are excluded from the Sunrise service.

The Uniform Rapid Suspension (URS) in the proposed final version is also much weaker than the URS proposed in the IRT Report. It does not seem to be more rapid or cheaper than the ordinary UDRP and the domain name is only blocked for a short period of time with the possibility of perpe-

tuating the cyber-squatting. There is no loser-pays mechanism which would be essential in a URS of any real value, or even a fee for filing a response to a complaint, and the burden of proof is on the trademark owner to prove that the registrant has no legitimate interest in the domain name. Furthermore, the URS is apparently only available to owners of trademarks registered in countries conducting a so-called substantive review or examination meaning that all CTMs and most national European trademarks are excluded from the URS.

The Globally Protected Marks List is not part of the proposed final version which is very disappointing as it would have been the rights protection mechanism that could have provided some relief for trademark owners of such marks. This is even more disappointing as the Phase II Report on Economic Considerations in the Expansion of Generic Top-Level Domain Names clearly states (p. 74) that “[t]here is value in giving trademark holders the ability to block the use of trademarked terms beyond a sunrise period” which “conclusion follows from the observation that, in many cases, it appears that trademark holders are interested in preventing other parties from using domains containing trademarks but the trademark holders are not interested in affirmatively using those domains”.

ICANN still seems to ignore that cyber-squatting and all kinds of fraud on the internet is increasing in number and the proposed final version contains nothing that shows trademark owners that ICANN has taken our concerns seriously. The overarching issues do not seem to have found a solution with the proposed final version. The Phase II Report on Economic Considerations in the Expansion of Generic Top-Level Domain Names states (p. 7) that “past gTLD introductions [...] have not had any significant competitive impact on .com’s dominance in the registration of second-level domain names” and (p. 12) that “[name] scarcity is not a current problem”.

ICANN’s stated objectives of the work on the new gTLDs do not seem to be achieved with the proposed final version. The Phase II Report on Economic Considerations in the Expansion of Generic Top-Level Domain Names (p. 22) asks these questions: “Are there other ways to achieve the primary objectives of the proposed gTLD, such as: (a) second-level domain names; (b) certificates; (c) software tags; and (d) filters that look at content beyond the URL and any tags? How do the alternatives, if any, compare in terms of their likely effectiveness in achieving the primary objectives of the gTLD and the costs they would impose on different members of the Internet community? How will the comparison of the gTLD and alternative solutions change over time as technological change occurs?”

We urge ICANN to consider these questions and come up with solutions to all the overarching issues before any new gTLDs are released.

Yours sincerely

VKR Holding A/S
Corporate Affairs
Trademarks



Laurits Schmidt Christensen
Head of Trademarks & Group Legal Counsel