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Submitted to: comments-com-amendment-30jun16@icann.org

August 10, 2016

Krista Papac
Director, gTLD Registry Services
ICANN
12025 Waterfront Drive, Suite 300
Los Angeles, CA 90094-2536

Re: Proposed Amendment to .COM Registry Agreement

Dear Ms. Papac:

The International Trademark Association (INTA) is pleased to submit the attached comments regarding the proposed amendment to the .COM Registry Agreement between ICANN and Verisign. INTA does not favor the amendment in its current form because it does not incorporate the consumer protections that apply to the new gTLDs and does not level the playing field among top level domain providers. The protections found in the new gTLD agreements act as a set of rules which promote consumer trust and competition including the reliance on trademarks as accurate designations of source in the Internet marketplace. We strongly encourage ICANN to ensure that protections negotiated by the multistakeholder community extend to all top level domains.

Should you have any questions about our comments, I invite you to contact Lori Schulman, INTA's Senior Director of Internet Policy at 202-261-6588 or at lschulman@inta.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Etienne Sanz de Acedo". The signature is fluid and cursive, with a long horizontal stroke at the end.

Etienne Sanz de Acedo
Chief Executive Officer

INTA Comment on the Proposed Amendment to the .COM Registry Agreement

August 10, 2016

The International Trademark Association (INTA) is pleased to submit comments regarding the proposed amendment to the .COM Registry Agreement between ICANN and Verisign. INTA's interest in domain-name-related matters is informed by its mission as an association "dedicated to supporting trademarks in order to protect consumers and to promote fair and effective commerce."¹ In support of that mission, INTA and its members rely on various provisions in the new gTLD Registry Agreement (the "New RA")² that protect the consuming public by protecting trademark interests. Those trademark-related provisions include:

- ¶2.8 of the New RA provides that new gTLD Registries "must specify, and comply with, the processes and procedures for launch of the TLD and initial registration-related and ongoing protection of the legal rights of third parties as set forth Specification 7"; Spec. 7 in turn provides that new gTLD Registries "shall implement and adhere to the rights protection mechanisms ('RPMs') specified in this Specification." Those RPMs include the Trademark Clearinghouse (TMCH), Uniform Rapid Suspension System (URS), and Post Delegation Dispute Resolution Procedure (PDDRP).
- Specification 11 requires new gTLD Registries to only use ICANN accredited registrars that are party to the 2013 RAA.
- ¶3(a) of Spec. 11 also requires new gTLD Registries to include a provision in their Registry-Registrar Agreements that requires Registrars to include in their Registration Agreements a provision prohibiting Registrants from committing, among other things, piracy, trademark infringement, fraudulent or deceptive practices, and counterfeiting, or otherwise engaging in activity contrary to applicable law.
- ¶3(a) of Spec. 11 also requires new gTLD Registries to include a provision in their Registry-Registrar Agreements providing (consistent with applicable law and any related procedures) consequences for such activities including suspension of the domain name.
- ¶3(a) of Spec. 11 provides that the commitments of Spec. 11 shall be enforceable by ICANN and through the Public Interest Commitment Dispute Resolution Process ("PICDRP") established by ICANN.

¹ <http://www.inta.org/About/Pages/Overview.aspx>.

² <https://newgtlds.icann.org/sites/default/files/agreements/agreement-approved-09jan14-en.pdf>.

The Relevant Terms are the result of the multi-stakeholder, bottom-up process, and are clearly acknowledged as being part of ICANN's Mission, as recently confirmed by the proposed amendments to ICANN's Bylaws. They also are extremely important to stakeholders such as INTA because they act as a set of rules which promote consumer trust and reliance on trademarks as an accurate designation of source in the Internet marketplace. These comments address the unfortunate fact that such rules do not apply to the .COM registry, which creates a significant gap of protection for trademark owners and consumers. The proposed mechanical renewal of the .COM Registry Agreement fails to address this.

.COM domain names account for the vast majority of domain activity impacting consumers. As of the most recent release of public figures, there were ~126.6 million .COM domain names.¹ By comparison, **all** 1,071 new gTLDs **combined** only total ~22.8 million domain names – less than one-fifth of the .COMs.² Even that comparison understates the significance of .COM when it comes to consumer protection on the Internet. If we look at traffic-related statistics rather than simple registration statistics, the highest-ranked new gTLDs barely crack the top 700.³ Traffic related statistics are a better indicator of consumer behavior in this context. As the current .COM Registry Agreement does not include any of the Relevant Terms from the New RA,⁴ when viewed simply in terms of scale and reach, the effectiveness of the Relevant Terms for protecting the billions of consumers who conduct business online, and for ensuring a safe and efficient online marketplace is quite limited. Relying on the Relevant Terms to protect consumers in new gTLDs, but not in .COM, is akin to padlocking your back door while leaving your front door wide open, with a flashing neon sign that says "OPEN."

INTA was hopeful that ICANN and Verisign would fill this gap and level the playing field by bilaterally negotiating the inclusion of the Relevant Terms when the .COM Registry Agreement was to be renewed in 2018.⁵ Yet in the proposed amendment to the .COM Registry Agreement that is the subject of the current public comment period,⁶ ICANN has proposed to mechanically extend that agreement until 2024, without any effort to update Verisign's terms at all. Instead, the proposed amendment merely requires ICANN and

¹ http://files.shareholder.com/downloads/VRSN/2438741956x0x888759/DD42B092-41BE-4AED-AF2D-7A1124453CDC/Q1-2016_Earnings_Slides_-_Final.pdf. Note: this figure includes those .com domain names that are in the active zone, plus those that are registered but not configured for use, plus those that are in a client or server hold status.

² <https://ntldstats.com/>.

³ According to <https://ntldstats.com/tld>, the highest is viral.buzz according to quantcast (ranked 719), and namu.wiki according to Alexa (ranked 697).

⁴ INTA of course recognizes that some of the RPMs – such as the TMCH and PDDRP – that are included in the collectively defined "Relevant Terms" may not be applicable to a legacy gTLD such as .COM.

⁵ In fact, INTA advocated as much when the .COM Registry Agreement was last renewed back in 2012: <https://forum.icann.org/lists/com-renewal/pdfmbIYNSTaer.pdf>.

⁶ <https://www.icann.org/public-comments/com-amendment-2016-06-30-en>.

Verisign to cooperate and negotiate in good faith sometime in the next two years to amend the agreement to preserve and enhance the security and stability of the Internet and of the .COM gTLD. That is not enough. ICANN should acknowledge that the Relevant Terms are essential to preserve and enhance the security and stability of the Internet and of the .COM gTLD, such that the requirement that ICANN and Verisign negotiate in good faith to add further amendments within a two-year time period includes a requirement to implement the Relevant Terms at that time. Given the importance of the Relevant Terms, that requirement should be explicit – not implicit.

ICANN’s decision to perfunctorily extend the .COM Registry Agreement until 2024 is all the more puzzling given that ICANN has (correctly) touted the “technical and operational advantages” and “benefits to registrants and the Internet community” of the New RA. When the .TRAVEL, .CAT, and .PRO legacy registry agreements were due for renewal, rather than simply extend those agreements for six years (as is being proposed here), ICANN *did* engage in bilateral negotiations with those registries, and the renewal registry agreements that emerged from those negotiations *did* include modified provisions to bring those agreements in line with the New RA. In so doing, ICANN touted multiple “positive technical and operational benefits” of the New RA.¹ Those include:

- ICANN’s ability under the New RA to designate an emergency interim registry operator in the event that emergency thresholds for critical registry services is reached mitigates the risks to the stability and security of the DNS.
- Technical onboarding under the New RA allows registries to use uniform and automated processes, which will facilitate operation of their TLDs.
- The New RA includes safeguards in the form of the public interest commitments in Spec. 11.
- Transition to the New RA provides consistency across all registries leading to a more predictable environment for end-users.
- The New RA’s requirement that registries only use ICANN-accredited registrars that are party to the 2013 RAA provides more benefits to registrars and registrants.
- The New RA allows registries to adopt additional RPMs to protect rights holders [and consumers].

¹ <https://www.icann.org/resources/board-material/resolutions-2015-09-28-en#1.c>.

INTA agrees with ICANN on these benefits of the New RA.¹ But that begs the question of why ICANN would not make any effort to transition to the New RA framework for .COM. Those benefits are not any *less* meaningful for .COM than they were for .CAT, .TRAVEL, and .PRO. On the contrary: given the scale of .COM, the “technical and operational advantages” and “benefits to registrants and the Internet community” would be much more extensive and consequential for .COM. ICANN’s apparent extension of preferential treatment for .COM is therefore disappointing and leaves consumers and trademark owners without important protections that have become best practices in all new gTLDs.

Moreover, the benefits of the New RA broadly, and of the Relevant Terms specifically, are not limited to trademark owners, consumers, registrants, and the broader Internet community. New gTLD Registries will also benefit from the opportunity to compete on a “level playing field” with their legacy registry counterparts. The Relevant Terms carry implementation and operational costs and liabilities for registry operators.² As ICANN has noted, those costs are worthwhile in the aggregate because they are far outweighed by the benefits for registrants and the Internet community. We can see no reason why costs should be borne only by new gTLD Registries, but not legacy gTLD Registries (or at least, not *all* legacy gTLD Registries). Such barriers to entry distort free competition in the gTLD marketplace. Therefore, it is not surprising that at least some new gTLD Registries have advocated for the use of at least some of the Relevant Terms by legacy gTLDs.³ INTA agrees with this suggestion. INTA also notes that with Verisign as the long term registry for the dominant .com gTLD, its impending execution of a Root Zone Maintainer Services Agreement with ICANN for post-transition services, and its recent \$130 million purchase of the .web gTLD registry from ICANN, there is some risk of the appearance of an anticompetitive DNS environment forming as a result of the evolving relationship between ICANN and Verisign. INTA raises this issue as a red flag for discussion within the ICANN community.

¹ By noting the benefits of the New RA, INTA does not mean to suggest that the Relevant Terms are perfect, or cannot be improved. For example, INTA has offered suggestions on ways to improve the URS: <http://www.inta.org/Advocacy/Documents/2015/ICANN%20Comments%20-%20RPM's%20INTA%20Submission%2005-01-15.pdf>. But even in its current (imperfect) form, the availability of the URS for .COM would benefit both brand owners and consumers, given the sheer number of .COM websites, and the possibility of quicker, more efficient relief that the URS can provide.

² For example, Verisign in its most recent Annual Report noted that the New RA “included new mandatory obligations on new gTLD registry operators . . . that may increase the risks and potential liabilities associated with operating new gTLDs” and identified as a risk factor for potential investors the possibility that ICANN “might seek to impose these new mandatory obligations in our other Registry Agreements [e.g., the .COM Registry Agreement] under certain conditions.” See: [http://files.shareholder.com/downloads/VRSN/2438741956x0x888971/B00F5486-D2F5-4C7B-89E3-4F380BC4DA6F/Verisign-2015 Annual Report 2016 Proxy.pdf](http://files.shareholder.com/downloads/VRSN/2438741956x0x888971/B00F5486-D2F5-4C7B-89E3-4F380BC4DA6F/Verisign-2015%20Annual%20Report%202016%20Proxy.pdf).

³ See <https://forum.icann.org/lists/comments-travel-renewal-12may15/pdfEHVlcScFrX.pdf> (Donuts Comment on Proposed Renewal of .TRAVEL) and <https://forum.icann.org/lists/comments-pro-renewal-28may15/pdfmilCgCI90i.pdf> (Donuts Comment on Proposed Renewal of .PRO).

In light of ICANN's omissions and decision to provide preferential treatment for .COM, **INTA cannot support** the proposed amendment to the .COM Registry Agreement.

About INTA and the Internet Committee

INTA is a 137 year-old global not-for-profit association with more than 5,700 member organizations from over 190 countries. One of INTA's 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 also been the leading voice of trademark owners within the Internet community, serving as a founding member of the Intellectual Property Constituency of the Internet Corporation for Assigned Names and Numbers (ICANN). INTA's Internet Committee is a group of over 230 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.