

**COMMENTS OF THE
SOFTWARE & INFORMATION INDUSTRY ASSOCIATION (SIIA)**

on the

“IRT Final Report on Trademark Protection Issues”

Submitted July 6, 2009

The Software & Information Industry Association (SIIA) submits these comments on the above referenced subject, the “IRT Final Report on Trademark Protection Issues”, released ated “New gTLD Applicant Guidebook Version 2 (V2)” (“DAGv2”), released on May 29, 2009 (available at: <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>).

As the principal trade association of the software and digital information industry, the more than 500 members of SIIA develop and market software and electronic content for business, education, consumers and the Internet.¹ SIIA’s members are software companies, ebusinesses, and information service companies, as well as many electronic commerce companies. Our membership consists of some of the largest and oldest technology enterprises in the world, as well as many smaller and newer companies.

Our members are leaders in building the global online marketplace, providing content and infrastructure that users around the world depend on and want. They depend on a robust, secure and predictable environment, which includes a reliable Domain Name System (DNS) and associated tools that permit the DNS to operate with confidence. SIIA, its member companies, and its staff have been involved in ICANN since its inception in 1998, serving in key roles (member of the Nominating Committee and as an officer in the Intellectual Property Constituency) as well commenting over the years on key policies that ICANN has proposed to undertake.²

¹ Our website can be found at www.sii.net.

² See, by way of recent examples, “COMMENTS OF THE SOFTWARE & INFORMATION INDUSTRY ASSOCIATION (SIIA) on the Draft “New gTLDs Applicant Guidebook,” submitted December 15, 2008, available at: <http://forum.icann.org/lists/gtld-guide/pdfctWRsokIMz.pdf>; “COMMENTS OF THE

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PRELIMINARY OBSERVATIONS

First, while our comments below highlights places where we believe changes or improvements in the report could and should be made, nothing in those comments should be interpreted to reject the absolute need for the baseline provided in the report to be included, if new gTLDs are, indeed, rolled out. We are concerned, based on reports at the ICANN meeting in Sydney, that efforts to highlight changes or improvements are indications that the report should be rejected, or that this key issue is ‘too complicated’ or ‘will take too much time.’ We reject those interpretations, and believe ICANN should do the same.

In our view, the IRT worked within an extraordinarily tight time frame in which to consider the variety of issues, approaches and detailed issues. While there are limitations in its recommendations, which inevitably result from this truncated timetable, SIIA firmly believes that, on the whole, the IRT produced a balanced and thoughtful set of recommendations that provide an excellent template – indeed, an essential baseline - for incorporation of specific solutions into the next version of the Draft Applicant Guidebook on this particular issue.

Second, we want to recall for ICANN that the IRT report is *one step* in addressing in a meaningful and effective way just one of the four “overarching issues that require further work so remain unchanged in the draft.”³ ICANN has established a set of key thresholds that must all be fully addressed, through meaningful processes, before a full roll out of new gTLDs is undertaken. SIIA’s evaluation of the state of each of these essential overarching issues is that each of these four overarching issues is, at best, in very different stages of development. By any measure, none of the overarching issues appear to have ripened sufficiently to support ICANN’s stated timeline for rolling at new gTLD’s, even as some important steps have been taken in the context of one (perhaps two) of them

Third, SIIA commends the process that culminated in the IRT report, and we concur in the overall thrust of its recommendations. The establishment of the IRT was a necessary response to the concerns expressed in public comments to ICANN on the first two versions of the draft Applicant Guidebooks. As indicated clearly in those comments, there is a universal desire to minimize the negative impact of the rollout of new gTLDs, continue to promote consumer confidence in the online environment, and

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SOFTWARE & INFORMATION INDUSTRY ASSOCIATION (SIIA) on the New gTLD Applicant Guidebook Version 2 (V2),” submitted April 13, 2009, available at: <http://forum.icann.org/lists/2gtld-guide/pdfnb8lGiwY6.pdf>; “COMMENTS OF THE SOFTWARE & INFORMATION INDUSTRY ASSOCIATION (SIIA) on the “Preliminary Report of Dennis Carlton Regarding Impact of New gTLDs on Consumer Welfare” (“Consumer Welfare Report”),” submitted April 17, 2009, available at: <http://forum.icann.org/lists/competition-pricing-prelim/pdfThyKTMJGMH.pdf>.

³ “Draft Applicant Guidebook: What You Told US”, released February 18, 2009, available at: <http://www.icann.org/en/announcements/announcement-3-18feb09-en.htm>.

avoid a sudden proliferation of abusive registrations in the new gTLDs, particularly in this environment of a global economic downturn. SIIA expresses its appreciation to the ICANN Board for taking steps in Mexico City to convene the panel of experts which sat on the IRT and who spent a tremendous amount of time and hard work to propose solutions that would reduce these threats.

COMMENTS ON THE IRT REPORT'S MAJOR RECOMMENDATIONS

SIIA's review of and comments on the four main thrusts of the IRT Report are provided below.

IP clearinghouse. SIIA commends the recommendation of the IRT Report to create an IP Clearinghouse to support new gTLD registries in operating cost-effective rights protection mechanisms (RPMs) of all kinds that do not place a heavy financial or administrative burden on trademark owners. We concur with the view in the Report that the IP Clearinghouse will deliver fast, accurate information in a standard format using a state-of-art technical platform that is secure and robust. We note that the IP Clearinghouse builds on prior efforts which have been used by validation agents in TLD launches since 2005. The mandatory use of a common repository of verified data related to rights claims should substantially reduce the cost and complexity that right holders would otherwise encounter in participating in potentially hundreds of different RPMs at the pre-launch phase of new gTLDs. We would, however, urge ICANN not to adopt a double registration fee system, where a rights holder has to pay once for registering its mark with the clearinghouse, and another to get notices. In our view, there is no additional marginal cost, given the electronic nature of the communications that warrant this approach and double cost factor. Instead, one fee, which should reflect the goal of encouraging widespread use of the Clearinghouse, includes both the registration and notice.

In many ways, this is the most important recommendation of the IRT report. The mandatory use of a common repository of verified data related to rights claims should substantially reduce the cost and complexity that right holders would otherwise encounter in participating in potentially hundreds of different rights protection mechanisms at the pre-launch phase of new gTLDs. While the feasibility of such a common verified database appears to have been established in the .eu and .asia launches, we recognize that questions unavoidably remain about the cost structure and business model for the operation of the clearinghouse. Since the clearinghouse is a critical feature for any successful launch of new gTLDs, SIIA believes that the main costs of operating it should be borne by ICANN, and/or by gTLD registries as a cost of doing business, though we accept IRT's recommendation that a reasonable fee could be charged to those right holders who submit data for verification and storage in the clearinghouse.

It is our view that this recommendation may be the most important to emerge in the IRT Report. To that end, SIIA notes two key implications of this recommendation that should be elaborated on in the applicant guidebook:

- First, registry participation in the clearinghouse must be mandatory for it to work and achieve the proposal's objectives. Whatever rights protection mechanism (or combination of RPMs) the registry operator decides to employ, to the extent that it requires verification of trademark or other rights in character strings, the right holder should be able to participate simply by filing with the clearinghouse.
- Second, any RPM that does not rely upon the submission and verification of the rights of third parties must be fully spelled out in the application, and a robust post-delegation enforcement mechanism must be made available to ensure that it is strictly adhered to. We note the example given on page 20 of the IRT report of "a .brand TLD, operated as a closed TLD and restricted [for] second level registrations to [the brand owner's] employees and subsidiaries," would have to be made clear in the application, and ICANN should ensure that this restriction is honored in the gTLD's operation.

Globally protected marks list (GPML). SIIA, whose members consist of some of the largest and most well known software and digital content companies, as well as many smaller companies whose presence is pervasive globally through the Internet, urges ICANN to support this concept as an essential step toward addressing the 'key issue' of trademark protection. This is consistent with the goal to ensure that any applicant for a new gTLD take concrete steps to affirmatively defend globally recognized brands and trademarks whose registration by anyone other than their owner (or a third party with the owner's non-objection) would present an unacceptable risk to the public. In reviewing the draft IRT Report in early May, we noted that in the short amount of time available to the IRT, there was not sufficient bandwidth to test and evaluate some of the criteria. We expressed concern that the requirements of the GPML needed to be evaluated before final action. The final Report offers the other extreme: only general guidance. Recalling that SIIA believed that the criteria in the draft would likely be, in practice, far too restrictive to be practical, even for large, global multi-nationals, our view remains that an appropriate threshold would be more along the lines of registrations in at least 30 countries across 4 of ICANN's 5 Regions.

Uniform Rapid Suspension. SIIA welcomes the proposal put forward by the IRT that all new gTLD registries be required, pursuant to their contracts with ICANN, to take part in a Uniform Rapid Suspension System ("URS"). The purpose of the URS is consistent with the goals of our industry, which look forward to a reliable mechanism to provide a cost effective and timely mechanism for brand owners to protect their trademarks and to promote consumer protection on the Internet. We appreciate the IRT for recognizing that this is not a substitute for the Uniform Dispute Resolution Process (UDRP), which has been an invaluable and essential policy that has promoted confidence in the Domain Name System. Rather, as the IRT correctly points out, the URS responds to the real situation that brand owners and Internet users find themselves facing: unprecedented levels of abuse and infringement, which undermines trust in, and thereby negatively impacts the stability and security of the Internet. Thus, as the IRT Report correctly concludes, the "URS is meant to deal with the most clear-

cut cases of trademark abuses, while balancing against the potential for an abuse of process." To that end, it is vital that the proper mechanisms are in place to reduce, if not altogether preclude, gaming of the system through either false claims or frivolous answers. In our view, it would also be appropriate to test the URS concept in the new gTLD environment, with the ultimate goal of extending it throughout the gTLD space in the future.

Thick Whois. SIIA strongly supports the IRT recommendation regarding the "thick Whois" services in the new gTLDs, and commends ICANN for its recent proposal to adopt this recommendation (see <http://www.icann.org/en/topics/new-gtlds/thick-thin-whois-30may09-en.pdf>). In our view, the privacy concerns raised by a few commenters are fully addressed by the availability of "ICANN's community-developed "Procedure For Handling Whois Conflicts with Privacy Law" (see <http://www.icann.org/en/processes/icann-procedure-17jan08.htm>) as a means of resolving any potential situations where a registry operator's Whois obligations are alleged to be inconsistent with local legal requirements concerning data privacy.

To effectuate fully this recommendation, it will be necessary to include in the registry agreement of commitments the requirement that registrars live up to their Whois-related obligations, especially with regard to the operation of proxy or private registration services, if permitted in the TLD; enforcement of Whois data accuracy requirements (including the cancellation of registrations of registrants to who supply false Whois data); and provision of full registrar Whois services, including ready access to the Whois Data Problem Reporting System whenever Whois queries lead to false contact data.

CONCLUSION

SIIA urges ICANN to adopt the thrust of the recommendations of the IRT report, and for the IRT to take into account the areas of improvement outlined above before they are incorporated into the final Applicant Guidebook for any new gTLD rollout.

We note that statement of the ICANN Board chair, made at the public forum at the ICANN meeting in Sydney on June 25, in response to a question concerning the new gTLD launch, that "meeting legitimate community concerns is more important to both board and staff than meeting an announced deadline. We have said publicly that we will not open the [new gTLD] process until concerns have been addressed."⁴ SIIA strongly concurs with that monition. The work of the IRT is an important step to resolving one of the outstanding issues, and SIIA looks forward to working with the ICANN community and the IRT to further refine the proposals.

⁴ See transcript at <http://syd.icann.org/files/meetings/sydney2009/transcript-public-forum-25jun09-en.txt>.