



January 26, 2010

**VIA EMAIL**

Mr. Peter Dengate Thrush  
Chairman of the Board of Directors  
Mr. Rod Beckstrom  
President and CEO  
ICANN  
4676 Admiralty Way, Suite 330  
Marina del Ray, CA 90292

Re: Comments of Microsoft Corporation on "Special Trademark Issues  
Review Team Recommendations"

Dear Messrs. Dengate Thrush and Beckstrom:

Microsoft Corporation ("Microsoft") welcomes this opportunity to provide its comments to ICANN on the "Special Trademark Issues Review Team Recommendations" ("STI Report").

Microsoft is a worldwide leader in the IT industry, with a mission to enable people and businesses throughout the world to realize their full potential. Since the company was founded in 1975, it has worked to achieve this mission by creating technology that transforms the way people work, play, and communicate. Microsoft is also an owner and champion of intellectual property rights. It maintains sizable trademark and domain name portfolios and takes pride in the worldwide recognition of multiple of its trademarks. Further, Microsoft's businesses rely heavily on the Internet and the current system of top level domains, and Microsoft is an ICANN-accredited registrar. As such, Microsoft was well positioned to provide meaningful comments to ICANN on the first three versions of the new gTLD Draft Applicant Guidebook ("DAG 1", "DAG 2", and "DAG 3").

With regard to the specific issue of trademark protection, Microsoft's comments on DAG1 highlighted the need for ICANN to provide scalable, cost-effective, and efficient rights protection mechanisms ("RPM") to minimize the ICANN-imposed burden on rights owners of having to secure defensive registrations and combat cybersquatting in as many as 500 new gTLDs. In addition, Microsoft offered in its DAG1 comments to volunteer its personnel to support ICANN's development of scalable, cost-effective, and efficient RPMs. Microsoft substantiated that offer through the participation of Russell Pangborn, Microsoft's head of

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trademarks, as an Implementation Recommendation Team (“IRT”) member. Since then, Microsoft has submitted detailed comments in support of the IRT Final Report and its DAG3 comments contained an extensive discussion of those proposed RPMs. As a result, Microsoft is well-qualified to provide to ICANN its comments on the STI Report.

Executive Summary. The STI Report presents considerable progress on the overarching issue of trademark protection since ICANN issued DAG1. Nonetheless, Microsoft continues to support the recommendations contained in the IRT Final Report as providing better and more comprehensive tools for preventing and combating trademark abuse than the tools contained within the STI Report. The Board of Directors should approve the STI Report recommendations as modified below. To avoid any doubt, it is our view that adoption and implementation of the STI Report, as modified, still does not “adequately address” the issue of trademark protection as required by the Affirmation of Commitments.

At the outset, Microsoft wishes to incorporate by reference the concerns about the issue of trademark protection articulated in its comments to ICANN on DAG1 and DAG3, and the IRT Final Report.

### **Trademark Clearinghouse**

With the modifications proposed below, the Board of Directors should approve the STI Report recommendations relating to the Trademark Clearinghouse database, Trademark Claims RPM, and Sunrise RPM. Notwithstanding this recommendation, the Board of Directors should not have eliminated the IRT’s Globally Protected Marks List recommendation. The GPML would have served a valuable role in rendering defensive registrations unnecessary for the qualifying marks, and was the only IRT recommendation aimed at reducing the need for defensive registrations.

All National Trademark Registrations Should be Eligible for Pre-Launch RPMs. Registries should not have the discretion to exclude from their Trademark Claims or Sunrise RPMs trademark registrations issued by countries in which the national authority does not conduct substantive examination. Excluding these registrations would exclude tens of thousands of registrations in a significant number of counties. The owners of registrations issued by such trademark offices should not be deprived of the opportunity to participate in RPMs based solely on a much earlier decision as to where to secure a trademark registration.

The Trademark Clearinghouse or Third-party Service Providers Must Obtain Trademark Owner Consent to Use of Deposited Data for “Ancillary Services”. The Board should reject the STI’s recommendation that trademark owner data deposited with the Trademark Clearinghouse may be used by the Clearinghouse or third-party service providers without trademark owner consent. The data collected by the Trademark Clearinghouse will be vulnerable to abuse and misuse due to its commercial value. ICANN should adopt the IRT recommendation that trademark owners grant a license -- limited to the sole purpose of supplying data to registries and registrars for implementation of rights protection mechanisms. ICANN

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must not permit the use of this data for ancillary services by any entity without the trademark owner's specific consent as to each type of use.

### **Uniform Rapid Suspension Procedure**

With the modifications proposed below, the Board of Directors should approve the STI Report recommendations relating to the Uniform Rapid Suspension Procedure.

Clarification of Safe Harbor Language. The Safe Harbor language in section 3.1.b of Annex 6 should be clarified to make clear that websites associated with disputed domain names are not considered abuse under the policy only if the site "operated solely in tribute to or in criticism of a person or business" is found to be "fair use." As written, the language suggests that all such sites are always automatically deemed fair use and not considered abuse under the policy.

Timelines Should Be Clarified and Shortened. The STI Report does not identify the time period within which the initial examination that triggers the "freeze" of the domain name must occur. A time period should be set -- preferably 24 hours. The 20-day answer period should be shortened to 14 days, as recommended by the IRT. A 20-day answer period, combined with an undefined initial freeze deadline, runs the risk of slowing the "rapid" in Uniform Rapid Suspension procedure, and the "rapid" aspect is highly desirable to trademark owners. Adopting the IRT timelines will not prejudice registrants, who will still have ample time to respond and can utilize the Default Answer procedure in the highly unlikely event that they have no email access for 16 days.

Penalties for Abuse Should be Modified and Abuse Definition Should Be Clear, Specific, and Appropriate in Scope. The Board should adopt the "three strikes" standard for abusive complaints by trademark owners that the IRT proposed. This standard is more appropriate than the STI's "two strikes" standard -- especially in light of the fact that there are no equivalent penalties for serial cybersquatters. The "one strike, one year; two strikes, you're out" standard for findings of "deliberate material falsehood" is of concern because the STI Report contains no definitions, explanations, or illustrations that permit analytical assessment of this "standard." The guidelines for what constitutes abuse that ICANN staff are to implement should be clear, specific, and appropriate in scope. The references to "previous cases" of "TM abuse and general principles of fairness" are vague, overly general, and have the potential to be so broad as to be effectively useless. Once drafted by the appropriate experts, these "abuse" guidelines should be published for public comment. In addition, the sentence "Multiple complaints must be against the same entity and should not include affiliates." should be revised to "For purposes of counting abusive complaints and findings of "deliberate material falsehood" against a trademark owner, only complaints and findings against the entity identified as the Complainant -- and not its affiliates or related companies -- should be tallied."

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Examiner Requirements May Be Counterproductive. The STI Report recommends that examiners “have a legal background and should be trained and certified in URS proceedings.” Requiring expensive and/or time-consuming training and establishing a complicated certification regime could significantly limit the number of persons interested and qualified to be Examiners, particularly since Examiners will receive low examination fees. The abuse guidelines for Examiners, depending on their content, could have a similar unanticipated adverse consequence.

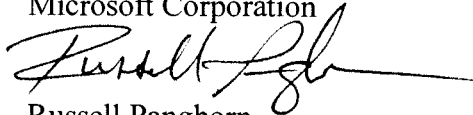
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Although Microsoft continues to believe the IRT Final Report provided the most comprehensive and effective RPM recommendations, the Board of Directors should support the STI Report recommendations subject to the amendments set forth herein.

Thank you for your consideration. If you have questions or wish to discuss any of the points raised herein, please contact Russell Pangborn ([russpang@microsoft.com](mailto:russpang@microsoft.com)) or Peter Becker ([peterbe@microsoft.com](mailto:peterbe@microsoft.com)).

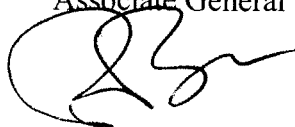
Respectfully submitted,

Microsoft Corporation



Russell Pangborn

Associate General Counsel – Trademarks



Peter Becker

Senior Attorney - Trademarks