

Comments of Time Warner Inc.

Re: Recommendations of Special Trademark Issues Review Team

<http://www.icann.org/en/public-comment/#sti>

January 26, 2010

Time Warner Inc. (“Time Warner”) welcomes the recommendations of the Special Trademark Issues (STI) review team that all new gTLD registries must use the Trademark Clearinghouse (TC) to support their pre-launch rights protection mechanisms and that all new gTLDs must participate in the Uniform Rapid Suspension (URS) procedure. See STI Recommendations, TC, at 5.1; STI Recommendations, URS Procedure, at 1.1. These clear statements are important elements of the rights protection framework that is needed to serve the public interest in the new gTLD process.

At the same time, it is essential to view the STI report in context. It addresses only two of a number of proposed and extensively debated mechanisms that are aimed at preventing abusive registrations that will harm consumers and brand owners in the new gTLDs, and at providing effective and expeditious remedies when these registrations occur. Most of the other mechanisms that have been proposed fell outside the scope of the STI’s remit, and thus were not addressed in its recommendations. At a yet broader perspective, the STI recommendations do not – nor were they intended to -- represent any forward progress on the other complex issues that must be satisfactorily resolved before it would be prudent or justified to open the application window for any new gTLDs. These issues include, but are not limited to, security standards, root scaling, and the threshold question of how to focus the scope and pace of the new gTLD rollout to maximize the chance of pro-competitive and pro-consumer results.

In addition, Time Warner believes that the STI recommendations need improvement. In this regard we support many of the views expressed by various constituencies in their minority or separate statements. Specifically:

- In order to achieve the hoped-for cost savings of the URS, we continue to support a full, or at least a partial, loser-pays system for defraying the costs of the URS.
- While we commend the STI for including as an optional remedy in URS cases the extension of the registration period for one additional year (see STI Recommendations, URS, at 7.2), we believe a longer freeze period should be available at the option of a successful URS complainant.
- We agree with STI Recommendation URS 9.1 providing for penalties against complainants who file multiple abusive URS complaints, subject to further clarification of what constitutes “abuse.” However, we note that the STI Recommendations provide no corresponding penalties for abusive registrants. We strongly recommend that ICANN require registries and registrars to implement penalties for registrants who have been found to repeatedly register domain names infringing upon trademarks, thereby profiting

from consumer confusion. Such penalties may include financial penalties, cancellation of current registrations or blocks from future registrations.

- We agree with the Business Constituency and the At-Large Advisory Committee that all new gTLD operators should be required to use the Trademark Clearinghouse as part of a post-launch rights protection mechanism. The Trademark Clearinghouse should be used post-launch by new gTLD operators both to advise registrants that their applications for registration are substantially similar to trademarks listed in the Clearinghouse, and ultimately used in conjunction with the Globally Protected Marks List (GPML) or other mechanism that would prohibit the registration of domain names that infringe upon certain trademarks.
- We agree with the Business Constituency and the At-Large Advisory Committee that the range of claims that rights holders are allowed to register in the Trademark Clearinghouse must be expanded beyond exact matches with a registered word mark, to include a defined range of typographical variations (e.g., two or fewer character variations) of a protected mark, and character strings in which a protected mark is combined with any of a defined set of generic/descriptive terms. These categories beyond exact matches – for example, BATMAN.kids, or HBOFILM.movie -- describe the great majority of abusive registrations that Time Warner has encountered with respect to its marks in the existing gTLDs. A database that excludes them is unlikely to provide any meaningful protections or to substantially reduce pressure for defensive registrations in the new gTLDs, the ostensible goals of the clearinghouse as initially conceived by the IRT.
- We agree with the Intellectual Property Constituency that all trademark registrations of national or multinational effect must be eligible for the Trademark Clearinghouse, subject to notice, disclosure and challenge procedures to combat abuse. Drawing a distinction between registered marks that have received “substantive review” of trademark applications, and those that have not, is untenable; and leaving it up to new gTLD registries to draw this line and to decide which timely registered word marks qualify for their pre-launch rights protection mechanisms is not a viable compromise (see STI Recommendations, TC, at 5.2.i).
- We remain concerned about whether trademark owners will be required to shoulder a disproportionate share of the costs of establishing and operating the Trademark Clearinghouse, especially considering (as pointed out by the Business Constituency) the limited benefits that the clearinghouse, as envisioned in the STI recommendations, would deliver. Since an effective clearinghouse would be an indispensable feature of any successful new gTLD launch, its costs should largely be borne by ICANN, or indirectly by the new gTLD registries, as a cost of doing business. We disagree with the position of the registry and non-commercial stakeholder groups on this issue, especially to the extent to which it is based on the mistaken view that only trademark holders will benefit from the Trademark Clearinghouse.

We conclude with an observation regarding next steps. ICANN should not view this articulation of consensus as the end of the process of crafting adequate safeguards for brand owners and consumers in the new gTLD environment. Rather, ICANN should further develop

and evaluate the STI recommendations, in line with the comments herein, and should ensure that the next version of the Draft Applicant Guidebook is not released until there has been a full resolution of these important issues. Those trademark-related matters that fell outside the narrow charter of the STI review team, including, along with the GPML, many aspects of the rights protection mechanisms that new gTLD registries are required to build on the foundation provided by the Trademark Clearinghouse, must also be resolved.

The trademark community has already amply demonstrated, through its active participation in both the IRT and STI processes, that it is ready to roll up its sleeves to grapple with this task. And the emerging consensus around elements of these processes is encouraging. It is essential that ICANN allow for enough time to get it right, building upon the IRT Final Report and the STI Recommendations as constructive first steps. At the same time, as noted in our preceding remarks about context, it is essential that ICANN undertake a similarly comprehensive process for addressing the other unresolved issues surrounding the proposal for a launch of new gTLDs.

Thank you for considering Time Warner's views. Please feel free to contact us if we can provide further information.

Respectfully submitted,

Sandra M. Aistars
Assistant General Counsel
Time Warner Inc.
1 Time Warner Center
14th Floor
New York, NY 10019 USA

Fabricio Vayra
Senior Counsel
Time Warner Inc.
800 Connecticut Ave, NW
Suite 800
Washington, DC 20006 USA