



Comments of the IPC on the
Proposed Final New gTLD Registry Agreement (April 29, 2013 Version)
June 11, 2013

The Intellectual Property Constituency (IPC) of the Generic Names Supporting Organization (GNSO) welcomes the opportunity to comment on the Proposed Final New gTLD Registry Agreement.

Base Agreement Article 7 – Miscellaneous

Section 7.6 – Amendments and Waivers

While recognizing the importance of working with the ICANN community to ensure an amendment procedure that is consistent with the multi-stakeholder decision-making process, the IPC notes that the current proposal is complex, and ultimately difficult to grasp. The IPC encourages the ICANN Board to implement procedures that are streamlined, easy to understand, and easy for the public to participate in.

The IPC recognizes and appreciates that there are opportunities for input from the IPC, other community groups and individuals built into the current process, under Sections 7.6(b) and 7.6(e)(v) of Article 7. In the event that an RO is not compliant with their obligations under the Registry Agreement, or in the event that changes are based on agreement or negotiation with an RO, the IPC supports the right of the ICANN Board to make changes to the agreement without the initiation of a Policy Development Process (“PDP”). The circumstances under which such changes can be made unilaterally would have to be specific, and clearly defined.

The circumstances defined by this version of the Registry Agreement are too narrow. The criteria set forth in proposed Section 7.6(e)(ii) and (iii) of Article 7 are drawn almost verbatim from standards employed by U.S. courts to prevent governments from infringing on free speech rights. See, e.g., *Citizens United v. FEC*, 558 U.S. 310, 340 (2010) (“Laws that burden *political speech* are ‘subject to strict scrutiny,’ which requires the Government to prove that the restriction ‘furthers a compelling interest and is narrowly tailored to achieve that interest.’”) ICANN does not have the coercive powers of a government, and the commercial activities of domain name

registries do not necessarily involve the exercise of free speech rights, so these criteria are inapposite. Furthermore, even if ICANN succeeds in navigating the maze created by Section 7.6 of Article 7, any amendment emerging from that process can be stayed during the pendency of an arbitration proceeding if challenged by a single registry (proposed Section 7.6(g) of Article 7). The standards, and the automatic stay provision, could undermine ICANN's responsibility to act in the public interest, and should be revised.

Specification 5: Schedule of Reserved Names

Section 3 – Reservations for Registry Operators

The IPC notes with concern that Specification 5 contains an entirely new section, Section 3, which was added without consultation with the IPC. Particularly worrisome is Section 3.2 of Specification 5, which allows an RO to reserve up to 100 names, “necessary for the operation or the promotion of the TLD.” The vague language of this section lacks any information about how these reserved names may interact with the TMCH, or how this provision might affect rights that are the subject of TMCH records. The IPC believes that it is essential that ICANN engage in discussions with the community, including the IPC, to clarify a number of important issues raised by the eleventh hour insertion of Section 3, Specification 5.

As a starting point, the IPC recommends that all names activated pursuant to Section 3.2 and allocated pursuant to Section 3.3 be checked before activation or allocation against the Trademark Clearinghouse (TMCH) database, with notification to the RO of any identical match to a trademark (or a corresponding label) recorded in the TMCH. If the RO proceeds with activation or allocation of such a name, the owner of the identical trademark or corresponding label should receive notice of the activation or allocation (regardless of any expiration of the 90-day mandatory notification period) and, under appropriate circumstances, should have the opportunity to challenge the activation or allocation. A specific dispute resolution procedure should be available; the IPC is prepared to propose such a procedure upon ICANN's request.

Section 5 – International Olympic Committee; International Red Cross and Red Crescent Movement

The IPC also notes that Section 5 of Specification 5 is titled “International Olympic Committee; International Red Cross and Red Crescent Movement.” If ICANN intends this provision to give ICANN the limited right to reserve additional names of the International Olympic Committee, International Red Cross, and Red Crescent Movement ONLY (upon ten calendar days' notice), the language of this section should be expressly limited to this effect. E.g.: “Additional names *of the International Olympic Committee and/or International Red Cross and Red Crescent Movement* may be added to the following list upon ten (10) calendar days' notice from ICANN to Registry Operator.”

Specification 11: Public Interest Commitments

The proposed revision to Section 2 of Specification 11 (Public Interest Commitments) creates a potential ambiguity in relation to subsequent amendments to the Public Interest Commitment Dispute Resolution Process (PICDRP). The apparent intention of the proposed revision appears appropriate, i.e., to indicate that an RO will not be bound to unknown material amendments to the PICDRP. However, the revised language could be construed as limiting ICANN's ability to implement material changes to the PICDRP. Such potential material changes to the PICDRP could be warranted and appropriately binding on ROs if known at the time of execution of the Registry Agreement.

In light of the ongoing development of the PICDRP, further amendments to Specification 11 may be appropriate based upon any further refinement of the PICDRP. We also note that PICs were submitted by certain gTLD applicants that include language purporting to reserve to the applicants the ability to discontinue compliance with the PICs at the applicants' sole discretion. Such language could effectively nullify the purpose and intent of PICs and ICANN should address the propriety of such reservations.

.BRAND Issues

A Closed Dot Brand Registry Agreement Is Necessary

The IPC continues to encourage ICANN to recognize a specific dot.brand category of TLDs. *See IPC, Closed Generic gTLD Applications* (15 March 2013).

To this end, the IPC also supports the call for a separate dot.brand Registry Agreement to match the novel and unique closed dot brand registry model. We generally concur with comments submitted by the Brand Registry Group ("BRG"), which explain the need for a separate dot.brand registry agreement and characterize dot.brand applicants as "radically different," most notably in that they do not intend to sell second-level domain names to the general public. BRG, *Position Paper: Comments on the Revised TLD Registry Agreement* (5 February 2013).

These concerns remain relevant despite recent amendments to the Registry Agreement.

We also note the extensive volume of public comments calling for a separate dot.brand Registry Agreement in the instant public comment period, as well as previous comment periods.

See Yahoo!, Closed Generic Top Level Domains (29 April 2013); *Google, Proposed Final New gTLD Registry Agreement* (29 April 2013); *Valideus, Proposed Final [29-Apr] New GTLD Registry Agreement* (29 April 2013); *FairWinds Partners, Brand Owners Comment on Registry*

Agreement (29 April 2013); Richemont, Registry Agreement Negotiation Points (29 April 2013); Bloomberg IP Holdings, gTLD Agreement (29 April 2013); Web.com Group, Revised New gTLD Registry Agreement (5 February 2013); Citigroup, New gTLD Registry Agreement (5 February 2013); Steptoe & Johnson, New gTLD Registry Agreement (26 February 2013); HBO Registry Services, New gTLD Registry Agreement (5 February 2013); Valideus, Revised New gTLD Registry Agreement Including PIC Specification (5 February 2013).

In particular, the need for a separate registry agreement is highlighted in several illustrative areas.

- **Geographic Names**

Trademark owners (dot.brands) already regularly use geographic names to target specific consumers and audiences around the world. dot.brand TLDs are unique in that they will be restricted spaces, i.e., they will exercise a degree of control over domain name registrations within their respective TLDs. Thus, it seems unnecessary to rigidly apply current blanket restrictions against all second-level country codes and country names within restricted dot.brand registries. Consumers would benefit from trusted use of geographic names at the second level (e.g., <canada.brand> or <uk.brand>). It would be inefficient to force .brands to individually reach agreement with ICANN and each respective government and country-code manager. *As an alternative to ICANN recognizing an exemption to Registry Agreement §2.6 and Specification 5, ICANN should define a clear and timely path forward for .brands to release geographic names at the second level.*

- **Accredited Registrar Requirement**

Some dot.brands have no intention to register millions of domain names; for them it does not make sense that ICANN would force them to provide access to all ICANN-accredited registrars (registrars may also not be interested in partnering with such low-volume TLDs).

Other dot.brands would prefer to use a preferred their trusted registrar. Trademark owners often have a trust-based relationship with their designated corporate registrar(s). Equally, it is no secret that some ICANN-accredited registrars have been sued for contributory cybersquatting.

We note that if an RO is able to obtain an exemption from the Registry Agreement Code of Conduct they could dispense with the current registrar requirements. However, we note that the process is (a) completely unclear, and (b) insofar as the definition of “affiliate” is presently drafted, does not adequately reflect intended dot.brand business structures (merely by way of example, where a limited number of registrations could be provisioned e.g., to authorized licensees/distributors).

- **Transition upon Termination**

If a dot.brand wishes to relinquish its TLD, given that the TLD corresponds to “non-TLD” based trademark rights, it makes sense to either (a) allow the dot.brand to transfer the TLD to a third party in their discretion (provided of course that the third party assumes all relevant contractual obligations and complies with all ICANN policies and procedures), or (b) prevent re-delegation to an unauthorized third-party (assuming the trademark owner is responsible for all registrations).

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Thank you for considering our views on these important issues.

Respectfully submitted,

Intellectual Property Constituency (IPC)