

## ICANN Board-GAC Consultation: Protection of Rights Owners

### EXPLANATION OF ISSUES/HISTORY

As implementation of the GNSO Policy Recommendations on new gTLDs began, many who support trademark interests called for stronger protections than those indicated in the policy. In response, the Board requested that:

[T]he GNSO's Intellectual Property Constituency in consultation with staff to convene an Implementation Recommendation Team comprised of an internationally diverse group of persons with knowledge, expertise, and experience in the fields of trademark, consumer protection, or competition law, and the interplay of trademarks and the domain name system to develop and propose solutions to the overarching issue of trademark protection in connection with the introduction of new gTLDs.

<http://www.icann.org/en/minutes/resolutions-06mar09.htm#07>

The Implementation Recommendation Team (IRT) was formed with members of the Intellectual Property Constituency. The IRT made several suggestions to enhance the trademark protections available in the new gTLD Program. See <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>). These recommendations included: (i) an IP or Trademark Clearinghouse ("Clearinghouse"), which would support standardized pre-launch rights and a globally protected marks list; (ii) a Uniform Rapid Suspension System ("URS"); (iii) a Post-Delegation Dispute Resolution Procedure ("PDDRP"), (iv) a Whois requirement for new TLDs; and (v) the use of an algorithm in string confusion review. Four of the solutions identified by the IRT were incorporated into the Applicant Guidebook in some form.

After receiving recommendations from the IRT and community relating to the proposed Clearinghouse and URS, revised proposals for the Clearinghouse and the URS were developed and published. Given that the original GNSO Policy direction was very general in nature, the ICANN Board provided the GNSO council with the opportunity to offer input on the specific rights protection mechanisms of the Clearinghouse and the URS to determine whether the new recommendations were in-line with the approved Policy. The GNSO promptly established the Special Trademark Issues Review Team ("STI") to review the proposals and offer policy-related advice.

While the STI could not reach unanimity on each issue, it did reach consensus on many aspects. For example, the GNSO unanimously approved the concept of a Trademark Clearinghouse and of the URS; both are included in the current version of the Guidebook.

## REMAINING AREAS OF DIFFERENCE WITH GAC

GAC members have informed ICANN that the GAC will be providing specific implementation recommendations with respect to the Clearinghouse, the URS and the PDDRP. Those comments have not yet been provided to ICANN and therefore are not referenced in this section, which is based on correspondence from the GAC and GAC Communiqués received to date.

### A. Specific Differences

1. Under the Guidebook, registries are not required to provide protection for trademarks in the Clearinghouse during a Sunrise Registration Period unless the marks have been validated by a court, a statute or a treaty, or been reviewed for use at the time of trademark registration or by the Clearinghouse, *which can be done for a fee to be determined*.

The GAC believes that the Clearinghouse should not “impose a validation fee ...” (See 23 September 2010 GAC Comments on version 4 of AG at <http://www.icann.org/en/correspondence/dryden-to-dengate-thrush-23sep10-en.pdf>).

2. Under the Guidebook, registries must support sunrise services for holders of marks that have been registered as trademarks *and* evaluated for use. Evaluation for use can occur either: (i) at the time of trademark registration; or (ii) by the Clearinghouse upon entry into the Clearinghouse; or (iii) by the Clearinghouse at a later date when the trademark holder wishes to use a sunrise service. Trademarks validated by a court, a statute or a treaty are also eligible for sunrise services.

In addition, only marks that are eligible for sunrise services (as set out above) can serve as the basis of a URS complaint.

The GAC has concerns over *requiring review for use* when determining if a trademark is eligible for sunrise or a URS claim. (See 23 September 2010 GAC Comments on version 4 of AG at <http://www.icann.org/en/correspondence/dryden-to-dengate-thrush-23sep10-en.pdf>.)

3. Under the Guidebook, the URS requires a “clear and convincing” burden of proof.

The GAC has concerns over the level of burden of proof under the URS.

4. Under the Guidebook, a claims service will only search for and provide notice to holders with trademarks that are identical matches to the domain name being registered.

The GAC recommends that the match criteria for searches be extended to include results that combine a trademark and a generic term (e.g. “Kodakcameras”). (See 23 September 2010 GAC Comments on version 4 of AG at <http://www.icann.org/en/correspondence/dryden-to-dengate-thrush-23sep10-en.pdf>.)

5. The GAC has stated that it “believes that the aim of achieving a light-weight mechanism has been compromised with the successive drafting of the URS, to the extent that it no longer serves as a viable alternative for rights holders to the UDRP in securing the timely suspension of domain names.” (See 23 September 2010 GAC Comments on version 4 of AG at <http://www.icann.org/en/correspondence/dryden-to-dengate-thrush-23sep10-en.pdf>.)

The current URS proposal began as a proposal from the IRT, and revised by community consensus through the STI. (URS reply time was shortened from the STI proposal in response to IP comments.) It will be helpful to understand the specific recommendations the GAC has with the URS to determine if any further accommodations can or should be made in the interests of the global Internet community.

## B. Discussion

### *Marks afforded protection in Clearinghouse and URS*

It should be noted that all nationally and multi-nationally registered marks are allowed in the Clearinghouse. Further, all of those are afforded protection in a registry’s pre-launch Trademark claims, or notification process. It is true, however, under the Guidebook, only marks that have been validated by a court, a statute or a treaty, or been reviewed for use at the time of trademark registration or by the Clearinghouse, which can be done for a fee to be determined, will be afforded protection during a Sunrise Registration period or be able to use the URS. (See <http://www.icann.org/en/topics/new-gtlds/trademark-clearinghouse-clean-12nov10-en.pdf> at section 7; <http://www.icann.org/en/topics/new-gtlds/draft-urs-clean-12nov10-en.pdf> at section 1.2(f)i.)

The goal for requiring substantive evaluation is to ensure that a mark provided sunrise protection, or to serve as the basis for a URS claim, is one that has been examined on absolute grounds, which is meant to determine that it is not a generic or descriptive word, and it is distinctive. The mark should also be examined or validated to show that the description of goods and services for which the trademark was registered complies with an acceptable identification of goods and services and that there is use of the mark in commerce.

Without a requirement of use the system could be gamed. For example, one could register a mark that is truly incapable of serving as a mark (black as a color) but can

create a false description of goods to make it appear the mark in fact applies to that good (i.e. “black’s fishing tackle”) to get priority of rights to the word “black”. But, if that mark is never used in commerce, by the time someone challenges that mark, via what is called a cancellation proceeding, the registrant will not care because it will be five years down the road and the gaming will have already taken place.

Only legitimate trademark holders that in fact use valid trademarks in commerce should be given protection and rights in sunrise services and should be able to use the URS.

As the IRT noted with respect to the URS, “[t]he purpose of this more restrictive standard is to avoid time consuming analysis over the question of rights, which would undermine the intended purpose and ability of the URS process to provide a fast inexpensive remedy for cases of clear abuse.” (See <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf> at page 33.)

Finally, with respect to providing for protection only as to “identical matches” this was the recommendation of both the IRT and the STI and thus has not been changed. See The Final IRT Report at: <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf> at page 22; The STI Recommendations at: <http://www.icann.org/en/announcements/announcement-2-17dec09-en.htm> at page 9.

### *Nature of the URS*

The URS was developed as a trademark protection mechanism by the IRT, which was also confirmed by the STI. Of course, the IRT’s specific recommendations were revised somewhat by the STI, although not all areas were addressed by the STI. The current version of the URS in the Guidebook reflects a compromise from the IRT, the STI and public comment received to date. (See <http://www.icann.org/en/topics/new-gtlds/draft-urs-clean-12nov10-en.pdf>.) A compromise was necessary to balance the rights of trademark holders and the rights of legitimate registrants.

While it is true that one must prove a URS claim by clear and convincing evidence, this is the standard that the IRT recommended. The STI agreed with the IRT and thus the burden of proof has remained as clear and convincing. It is important to note that the URS was meant to address only the most clear-cut cases of abuse. Further, the periods of time between a filing of a complaint, and answer and determination on the merits, all of which were contemplated by the IRT, are nearly the same as originally proposed by the IRT, with a few very brief extensions under specific circumstances. For example, one major point of contention was the response date; the IRT suggested 14 days, the STI suggested 20 days. The current proposal is 14 days, with the right to seek an extension of no more than seven days, but only if there is a good faith basis to do so.

## RELEVANT GUIDEBOOK SECTIONS AND OTHER PAPERS

1. The Current Trademark Clearinghouse proposal can be found at:  
<http://www.icann.org/en/topics/new-gtlds/trademark-clearinghouse-clean-12nov10-en.pdf>
2. The Current URS Proposal can be found at:  
<http://www.icann.org/en/topics/new-gtlds/draft-urs-clean-12nov10-en.pdf>
3. Comment Summary and Analysis on the Trademark Protections can be found at:  
<http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv4-12nov10-en.pdf>,  
pages 29-36
4. Comment Summary and Analysis on the Trademark Clearinghouse can be found at:  
<http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv4-12nov10-en.pdf>,  
pages 36-38
5. Comment Summary and Analysis on URS can be found at:  
<http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv4-12nov10-en.pdf>,  
pages 53-56
6. The Final IRT Report can be found at: <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>
7. The STI Recommendations can be found in a link at:  
<http://www.icann.org/en/announcements/announcement-2-17dec09-en.htm>

## **REFERENCE DOCUMENTS: PROTECTION OF RIGHTS OWNERS AND CONSUMER PROTECTION ISSUES**

- **SUMMARY OF ACTIONS TAKEN RESPONDING TO GAC AND PUBLIC COMMENTS**
  
- **CHRONOLOGICAL LISTING OF GAC ADVICE AND COMMENTS ON NEW GTLDS  
AND RESPONSES PROVIDED BY ICANN AND KEY DOCUMENTS PUBLISHED ON  
THE TOPICS**

## SUMMARY OF ACTIONS TAKEN RESPONDING TO GAC AND PUBLIC COMMENTS

### Protection of Rights Owners and Consumer Protection Issues

- IDN guidelines and string similarity restrictions eliminate TLD strings that would be highly prone to spoofing or deceptive uses.
- The legal rights objection is in place to provide protection for the rights of third parties. Where there is a successful objection to an application based on the legal rights of others, the application is not approved.
- ICANN created an independent team that completed a proposal for measures that would mitigate the potential for malicious conduct in the new gTLD space. The team was comprised of members of the APWG, RISG, SSAC, various CERTs, and members of the banking, financial, and Internet security communities.
- Many of the measures resulting from the consultation process on mitigation of malicious conduct are integrated into the registry agreement and thus are binding on all new registry operators on a continuing basis. For example:
  - A prohibition on ‘wildcarding’ reduces the risk of DNS redirection to a malicious site.
  - A requirement for a designated abuse point of contact aids those seeking to address malicious conduct in a TLD.
  - The DNSSEC requirement reduces the risk of spoofed DNS records.
  - A requirement for removal of orphan glue records reduces risk of remnant records being used by a malicious actor.
  - A requirement to contribute to centralized zone file access requires that access credentials to obtain registry zone file data be made available through a centralized source, reducing time necessary to take corrective action within TLDs experiencing malicious activity.
- ICANN convened a team of comprised of Intellectual Property constituency members to study and recommend specific trademark protections in addition to the approach recommended in the GNSO Policy.
  - A Trademark Clearinghouse has been introduced to provide efficiencies for trademark holders in avoiding re-submission of rights data for each new TLD. The Guidebook was updated to require start-up services for all new gTLDs, facilitated by data from the clearinghouse.
  - The URS has been introduced to complement the UDRP and provide a faster, lower-cost solution where there are clear-cut cases of rights infringement. Refinements have been made to URS in light of these goals to make it a lightweight and usable process.
  - Post-delegation dispute resolution procedures have been introduced to address concerns about deliberately infringing activity by a new registry operator.

- The rights protection mechanisms are designed to work as a coordinated effort which will reduce the need for many defensive registrations.

**THIS TABLE PROVIDES A CHRONOLOGICAL LISTING OF GAC ADVICE AND COMMENTS ON NEW GTLDS AND RESPONSES PROVIDED BY ICANN AND KEY DOCUMENTS PUBLISHED ON THE TOPICS**

**Protection of Rights Owners and Consumer Protection Issues**

GAC Advice and Comments	ICANN Responses and key documents
<p><b>27 March 2007: GAC Principles regarding new gTLDs</b></p> <p>2.3 The process for introducing new gTLDs must make proper allowance for prior third party rights, in particular trademark rights as well as rights in the names and acronyms of inter-governmental organizations (IGOs).</p> <p>2.9 Applicants should identify how they will limit the need for defensive registrations and minimise cyber-squatting that can result from bad-faith registrations and other abuses of the registration system.</p>	<p><b>ICANN Mapping of GNSO Policy Recommendations</b></p> <p><b>2.3)</b> is addressed by the GNSO Recommendation 3; “Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law.” The Recommendation establishes a ground for objections from third parties to strings proposed by applicants. It is foreseen in the implementation planning that such objections will be handled by a dispute resolution service provider outside of ICANN.</p> <p><b>2.9)</b> is addressed by the GNSO Recommendation 16: “Registries must apply existing Consensus Policies and adopt new Consensus Policies as they are approved.” This implies that all new gTLDs would be bound by the UDRP that affords protection to intellectual property right-holders regarding second level domain names. The GNSO PRO (Protection of the Rights of Others) WG also elaborated recommendations regarding Rights Protection Mechanisms as follows:</p> <ul style="list-style-type: none"> <li>- PRO recommendation 3: “That the Legal Rights on which a party bases its participation and seeks to protect in a RPM should be subject to actual authentication, at least if the authenticity of such rights is challenged.”</li> <li>- PRO recommendation 4: “That if a new gTLD elects to use a Sunrise Process as its RPM, it should restrict eligible Legal Rights in such a manner as to discourage abusive registration.”</li> <li>- PRO recommendation 5: “That regardless of other authentication of Legal Rights, all new gTLDs should institute measures to deter abuse of the RPMs and clearly false submissions.”</li> </ul> <p>From an implementation perspective, corresponding requirements will be stated in a base contract for new gTLD registries, available to applicants beforehand.</p>
<p><b>10 March 2009: Comments on V1 of Applicant Guidebook</b></p> <p>The GAC shares the concerns of business stakeholders about a range of overarching issues relating to overall costs to business. In particular efforts should be made to help limit the need for defensive registrations in the new gTLDs.</p>	<p><b>24 October 2008: Applicant Guidebook Version 1</b>  <a href="http://www.icann.org/en/topics/new-gtlds/draft-rfp-24oct08-en.pdf">http://www.icann.org/en/topics/new-gtlds/draft-rfp-24oct08-en.pdf</a></p> <p><b>22 October 2008: Explanatory Memo—Protecting Rights of Others in New gTLDs</b>  <a href="http://www.icann.org/en/topics/new-gtlds/protection-rights-22oct08-en.pdf">http://www.icann.org/en/topics/new-gtlds/protection-rights-22oct08-en.pdf</a></p>

<p>This includes ensuring that registries provide appropriate mechanisms to prevent fraudulent registrations. The GAC believes it is important to gain a clear understanding of the views of the business community on those issues.</p>	<p><b>18 February 2009, version 1 Public Comments Analysis Report</b> <a href="http://www.icann.org/en/topics/new-gtlds/agv1-analysis-public-comments-18feb09-en.pdf">http://www.icann.org/en/topics/new-gtlds/agv1-analysis-public-comments-18feb09-en.pdf</a></p>
<p><b>24 June 2009: Communiqué Sydney</b> The GAC discussed the Draft Applicant Guidebook version 2 and feels that it does not yet respond to all the concerns that governments have. The GAC notes that considerable work is underway seeking to address several critical yet outstanding issues but the GAC remains concerned about a number of important issues:</p> <ul style="list-style-type: none"> <li>- The need for more effective protection for intellectual property rights;</li> <li>- The lack of analysis of the risk of end user confusion and/or harm;</li> </ul>	
	<p><b>18 February 2009: Applicant Guidebook Version 2</b> <a href="http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-18feb09-en.pdf">http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-18feb09-en.pdf</a></p> <p><b>31 May 2009, Summary and analysis of public comments on version 2</b> <a href="http://www.icann.org/en/topics/new-gtlds/agv2-analysis-public-comments-31may09-en.pdf">http://www.icann.org/en/topics/new-gtlds/agv2-analysis-public-comments-31may09-en.pdf</a></p>
<p><b>18 August 2009: Comments on V2 of Applicant Guidebook</b> It will prove likely that the average Internet user will place greater emphasis on retaining the ease of navigation around the existing DNS. The DAG2 does not specifically address the issue of how the new gTLDs will integrate with the existing gTLDs. The GAC believes therefore that there is a need for more studies to be commissioned which assess the impacts of a radically changed new gTLD regime on end users. Such studies should focus in particular on the extent to which the expected proliferation of domains may cause confusion or may exacerbate the harms from the malicious conduct and criminal activity that consumers experience in the current marketplace, or whether a more measured rollout would be more beneficial and cause less consumer confusion. The GAC wishes to emphasize the point that such fact finding studies as these should have been conducted prior to the decision to introduce new gTLDs.</p> <p>-----</p> <p>ICANN should address the very low level of awareness of the proposed gTLD round amongst the business community, in particular amongst small and medium sized businesses, outside the Internet industry and the existing registry and registrar communities. The GAC recommends that ICANN more actively promote the opportunity for business in the period prior to the launch of the first and</p>	<p><b>22 September 2009: Reply from ICANN Chairman</b> <a href="http://www.icann.org/en/correspondence/dengate-thrush-to-karklins-22sep09-en.pdf">http://www.icann.org/en/correspondence/dengate-thrush-to-karklins-22sep09-en.pdf</a></p> <p>There are several areas of the Draft Applicant Guidebook that address issues of potential confusion. One GNSO policy recommendation states that new gTLD strings must not be confusingly similar to an existing top-level domain. This recommendation is implemented through the work of the string evaluation panel that will compare each applied for string against every other string, existing and applied for, to determine if a likelihood of user confusion if both strings are delegated in the root zone. Their work will be abetted a string similarity algorithm, developed specifically for the new gTLD evaluation process at considerable expense. The algorithm, while not dispositive, will provide evidence of the degree of similarity.</p> <p>In addition to this evaluation, parties with ‘standing’ may object to an applied for string as being so similar to an existing, or an applied for string, that user confusion will likely result. The confusion may result from visual, oral or semantic similarity.</p> <p>Another policy recommendation states that strings must not infringe the existing legal rights of others. ICANN has made a significant investment to develop rights</p>

<p>subsequent gTLD rounds.</p>	<p>protection mechanisms (including the formation of an advisory panel, the Implementation Recommendation Team) so that user confusion does not result in the misappropriation of trademarks. These potential mechanisms include the establishment of a Trademark Clearinghouse, rapid takedown procedure, a requirement for thick Whois data maintenance, and a post-delegation dispute mechanism. Consideration of these proposed mechanisms is now ongoing.</p> <p>In addition to these new rights protection mechanisms, the Guidebook has always provided for an objection process where rights holders can object to applied for strings considered to violate their rights. Any rights holder has standing to object and these procedures and standards are well defined in the Guidebook.</p> <p>Considerable study has been undertaken (both before and after the publication of the first Guidebook) to determine and mitigate the potential for end user confusion. Input to this study was received from a number of stakeholders on possible costs and risks associated with the introduction of new gTLDs, notably Anti Phishing Working Group (APWG), Registry Internet Safety Group (RISG), the Security and Stability Advisory Committee (SSAC), Computer Emergency Response Teams (CERTs) and members of the banking, financial, and Internet security communities. Studies by the APWG and RISG were published. ICANN also consulted with firms that advise national trademark offices to best understand how to address confusion issues.</p> <p>Certain trademark owner input comment indicates that new TLDs will enable brand owners to establish user awareness about their TLD labels and that new TLDs will increase the use of search engines, rather than typing trial addresses in address bars thereby reducing the number of typos and resulting in fewer successful cybersquatting instances and phishing attacks.</p> <p>It is acknowledged that some significant level of user confusion with domain names clearly exists at present, for example, the use of lookalike and similar domains are currently a significant factor in both phishing and fraud. ICANN views the introduction of new gTLDs as an opportunity to reduce this confusion by allowing e-commerce entities, as well as others, to operate their sites from a unique domain space which matches its brand and which is under their control. If, for example, authentic paypal sites ended only in .paypal - potentially the current risk of fraud or phishing using labels such as pay.pal.com or paypa1.com or paypal.com.us would be reduced.</p> <p>Steps taken to mitigate malicious conduct will continue. ICANN will explore the</p>
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	<p>formation of a working group combining members within the security industry and ICANN community to help develop and assess solutions and specific implementations of proposed mitigation measures.</p> <p>As you are aware, ICANN has recently undertaken a number of outreach activities in New York, London, Hong Kong and Abu Dhabi. While the primary focus of these events was to discuss the work of the rights protection mechanisms, it was also an opportunity to inform a broader audience about ICANN and the introduction of new gTLDs. Further events are being planned for Latin America for later in the year. ICANN's Global Partnerships team has provided information at various events they have attended in their respective regions.</p> <p>A comprehensive communications strategy has been developed that will be published as part of the implementation plan for new gTLDs, and ICANN would welcome assistance from GAC members in identifying avenues and options for outreach in their respective countries. A significant amount has been expended on this effort to date and the go-forward budget, leading to the delegation of new gTLDs is approximately \$2.7 million dollars.</p>
<p><b>28 October 2009: Communiqué Seoul</b> Following discussions in Seoul however, both between GAC members and with other stakeholders, the GAC feels that many of its concerns remain outstanding, related in particular to:</p> <ul style="list-style-type: none"> <li>- the need for more effective protection of intellectual property rights;</li> </ul>	
	<p><b>4 October 2009: Applicant Guidebook Version 3</b> <a href="http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-04oct09-en.pdf">http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-04oct09-en.pdf</a></p> <p><b>4 October 2009: Explanatory Memo—Mitigating Malicious Conduct</b> <a href="http://www.icann.org/en/topics/new-gtlds/mitigating-malicious-conduct-04oct09-en.pdf">http://www.icann.org/en/topics/new-gtlds/mitigating-malicious-conduct-04oct09-en.pdf</a></p> <p><b>15 February 2010, Summary and analysis comments version 3</b> <a href="http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv3-15feb10-en.pdf">http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv3-15feb10-en.pdf</a></p>
<p><b>10 March 2010: Comments on V3 of Applicant Guidebook</b> More action must be taken to ensure that the introduction of new gTLDs does not lead to a concomitant increase in malicious conduct and abuse of the DNS.</p>	<p><b>5 August 2010: Reply from ICANN Chairman</b> <a href="http://www.icann.org/en/correspondence/dengate-thrush-to-dryden-05aug10-en.pdf">http://www.icann.org/en/correspondence/dengate-thrush-to-dryden-05aug10-en.pdf</a></p>

<p>Improvements in ICANN’s post-delegation monitoring and enforcement of the commitments made by delegated operator registries and registrars are warranted. It is important to ensure that intellectual property rights are properly respected in the new gTLD space consistent with national and international law and standards. The GAC expects that the proposed Trademark Clearing House should be made available to all trademark owners, irrespective of the legal regime they operate under, and that an effective and sustainable Uniform Rapid Suspension (URS), with appropriate remedies, and a Post Delegation Dispute Resolution Policy are established to ensure appropriate trade mark protection. While these initiatives are broadly welcomed therefore in serving to help address the concerns of brand owners, the GAC believes that they require further refining. In particular, “substantive examination” should be re-defined so that registrations examined on “absolute grounds” are included in order to ensure broader availability of the URS.</p>	<p>Some have made the case that the introduction of new gTLDs will result in an increase in malicious conduct. While this has not been quantitatively demonstrated, significant steps have been taken to ensure that malicious conduct is mitigated in the new environment of new gTLDs through the introduction of several protections.</p> <p>These protections, described below, were the result of a study undertaken of malicious conduct as it related to the new gTLD space. During the study, ICANN staff solicited and received comments from multiple outside sources, including Intellectual Property Constituency (IPC), Registry Internet Safety Group (RISG), the Security and Stability Advisory Committee (SSAC), Computer Emergency Response Teams (CERTs) and members of the banking/financial, and Internet security communities. As a result of this work, nine measures were recommended to increase the benefits to overall security and stability for registrants and trust by all users of these new gTLD zones, and each of these requirements will be implemented in the program:</p> <ul style="list-style-type: none"> <li>• Vetted registry operators (background checks)</li> <li>• Demonstrated plan for DNSSEC deployment</li> <li>• Prohibition of DNS redirection or “wildcarding”</li> <li>• Removal of orphan glue records to eliminate a tool of spammers and others</li> <li>• Maintenance of thick WHOIS records</li> <li>• Centralized method of zone-file access</li> <li>• Documented registry abuse contacts and procedures</li> <li>• Participation in an expedited registry security request process.</li> </ul> <p>These are the recommendations of the experts in this area when asked the same question that was posed by the GAC. More detailed information about these recommendations is available in the Mitigating Malicious Conduct explanatory memorandum, available at: <a href="http://www.icann.org/en/topics/new-gtlds/mitigating-malicious-conduct-memo-update-28may10-en.pdf">http://www.icann.org/en/topics/new-gtlds/mitigating-malicious-conduct-memo-update-28may10-en.pdf</a>.</p>
	<p><b>28 May 2010: Applicant Guidebook Version 4</b> <a href="http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-28may10-en.pdf">http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-28may10-en.pdf</a></p> <p><b>12 November 2010: Summary and analysis of comments version 4</b> <a href="http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv4-12nov10-en.pdf">http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv4-12nov10-en.pdf</a></p>
<p><b>23 September 2010: Comments on V4 of Applicant Guidebook</b></p>	<p><b>23 November 2010: Reply from ICANN Chairman</b></p>

The GAC notes with great concern that brand-owners continue to be faced with substantial and often prohibitive defensive registration costs which constitute a negative impact on their business planning and budgeting over which they have no control. Consultations by individual GAC members with business stakeholders underline how this issue remains a fundamental downside to the expansion of the gTLD space, far outweighing any perception of opportunities for innovation and customer-orientated benefits from the creation of corporate brand TLDs. In the current financial and economic climate, these consultations reveal that many individual businesses (including small and medium-sized enterprises) and media entities – some with large families of brands - find themselves without a sound business case to justify high levels of expenditure on large numbers of domain name registrations, most of which they are unlikely ever to use. Many of those that do decide to commit valuable financial resources for acquiring such defensive registrations will need to take some difficult decisions as to how to prioritize their efforts to avoid as much abuse of their trademarks as possible, in the knowledge that they will not be able to prevent all the potential abuse of their brands that the new gTLD round will facilitate.

This problem is exacerbated by lack of awareness: a recent survey carried out by 'World Trademark Review' showed that over 50% of respondents did not understand the implications for them of the gTLD programme.

The GAC remains of the view, therefore, that more concerted attention needs to be paid by ICANN to mitigate the costs to brandowners of new gTLDs arising from the need to acquire defensive registrations. The GAC urges ICANN therefore to reach out more effectively to the business community to set out both the opportunities for corporate business and the cost implications for brandowners of the expansion of the gTLD space.

The GAC notes the efforts to enhance through *process* the protection of rights owners as recounted in your letter of 5 August and developed in version 4 of the DAG.

In particular, the GAC welcomes the expansion of the Trademark Clearing House to allow all nationally registered trademarks including those not substantially reviewed. However, the GAC shares the views of the World Intellectual Property Organisation (WIPO) that ICANN should ensure that the Trademark Clearing House operates on non-discriminatory terms and does not impose a validation fee depending on the source of the trademark. The GAC also recommends that the match criteria for searches be extended to include results that combine a trademark and a generic term (e.g. "Kodakcameras").

<http://www.icann.org/en/correspondence/dengate-thrush-to-dryden-23nov10-en.pdf>

The Board understands the concerns expressed by the GAC regarding the potential costs of defensive registrations, and notes that the community spent a significant amount of time considering this issue, notably through the Implementation Recommendation Team and the Special Trademark Issues Working Group. The Board considered the many recommendations and supports the resulting protections now outlined in the Applicant Guidebook. These include:

- The requirement for all new registries to offer a Trademark Claims service or a sunrise period at launch.
- The establishment of a Trademark Clearinghouse as a central repository for rights information, creating efficiencies for TM holders, registries, and registrars.
- The existing Uniform Domain Name Dispute Resolution Policy (UDRP) continues to be available where complainant seeks transfer of names. Compliance with UDRP decisions is required in all new, as well as existing, gTLDs.
- Implementation of a Uniform Rapid Suspension (URS) system that provides a streamlined, lower-cost mechanism to suspend infringing names.
- The requirement for all new gTLD operators to provide access to "thick" Whois data. This access to registration data aids those seeking responsible parties as part of rights enforcement activities.
- The availability of a post-delegation dispute resolution mechanism that allows rights holders to address infringing activity by the registry operator that may be taking place after delegation.

Each of these is intended to provide a path other than defensive registration for trademark holders.

The application process itself, based on the policy advice, contains an objection-based procedure by which a rights holder may allege infringement by the TLD applicant. A successful legal rights objection prevents the new gTLD application from moving forward: a string is not delegated if an objector can demonstrate that it infringes their rights.

<p>The GAC also urges ICANN to ensure that all new rights protection mechanisms complement the existing UDRP. The GAC has serious concerns with regard to the way in which the draft Uniform Rapid Suspension System (URS) which governments had supported has evolved so as to require a much higher burden of proof while limiting marks eligible for a URS claim to only those which have been subject to substantive review or validated in the Clearing House with the associated cost and time implications. As a result, the GAC believes that the aim of achieving a light-weight mechanism has been compromised with the successive drafting of the URS, to the extent that it no longer serves as a viable alternative for rightsholders to the UDRP in securing the timely suspension of domain names.</p> <p>The GAC looks forward to the opportunity for further consultations with ICANN staff on these issues relating to the operation of the Clearing House and the URS.</p>	<p>The application form also requires applicants to disclose and describe the implementation of their proposed rights protection mechanisms during startup and launch of the TLD. This allows ICANN to ensure that the applicant will meet the minimum requirements, as well as providing the community with knowledge about that registry's expected practices.</p> <p>The Board does not concur with the GAC's recommendation that the match criteria for searches be extended to include results that combine a trademark and a generic term such as "Kodakcameras" unless of course this is a registered trademark. Instead the Board has adopted the recommendations of the intellectual property community as represented in the IRT regarding match criteria.</p> <p>In addition to the outreach that has already been conducted on the new gTLD program, a comprehensive four month communication campaign will be undertaken prior to the launch of new gTLDs.</p>
	<p><b>25 September 2010: Board meeting in Trondheim</b>  <a href="http://www.icann.org/en/minutes/resolutions-25sep10-en.htm">http://www.icann.org/en/minutes/resolutions-25sep10-en.htm</a></p> <p>Board Briefing Materials:  <a href="#">One</a> [PDF, 3.23 MB]  <a href="#">Two</a> [PDF, 2.03 MB]  <a href="#">Three</a> [PDF, 816 KB]  <a href="#">Four</a> [PDF, 240 KB]  <a href="#">Five</a> [PDF, 546 KB]</p> <p>"...Whereas, on 23 September 2010, the Governmental Advisory Committee (GAC) provided comments on version 4 of the draft Applicant Guidebook. Resolved (2010.09.25.__), staff is directed to determine if the directions indicated by the Board below are consistent with GAC comments, and recommend any appropriate further action in light of the GAC's comments."</p> <p><b>Trademark Protection</b></p> <p>Substantive Evaluation: The Applicant Guidebook will provide a clear description of "substantive evaluation" at registration, and retain the requirement for at least substantive review of marks to warrant protection under sunrise services and utilization of the URS, both of which provide a specific benefit to trademark holders. Specifically, evaluation, whether at registration or by a validation service provider, is required on</p>

absolute grounds AND use of the mark.

Substantive evaluation upon trademark registration has essentially three requirements: (i) evaluation on absolute grounds - to ensure that the applied for mark can in fact serve as a trademark; (ii) evaluation on relative grounds - to determine if previously filed marks preclude the registration; and (iii) evaluation of use - to ensure that the applied for mark is in current use.

Substantive review by Trademark Clearinghouse validation service provider shall require: (i) evaluation on absolute grounds; and (ii) evaluation of use.

URS timing: In response to public comment, change the time to respond to a complaint from 20 days to 14 days , with one opportunity for an extension of seven days if there is a good faith basis for such an extension.

The Board notes that the suggestion for a globally-protected marks list (GPML) was not adopted by the Board (in 2009), including for the following reasons: it is difficult to develop objective global standards for determining which marks would be included on such a GPML, such a list arguably would create new rights not based in law for those trademark holders, and it would create only marginal benefits because it would apply only to a small number of names and only for identical matches of those names.

The Board recognizes that additional policy development through the GNSO could lead to further mechanisms for enhanced protection for trademarks.

***Mitigating Malicious Conduct***

While efforts to mitigate malicious conduct will continue, the implementation work completed to date by the community and staff to address the mitigation of malicious conduct issue is sufficient to proceed to launch the first New gTLD application round. The remaining issues should not delay launch with the following specific directives incorporated:

Background check: The background check should be clarified to provide detail and specificity in response to comment. The specific reference to terrorism will be removed (and the background check criteria will be revised). These clarifications regarding the background check criteria and process shall be included in the forthcoming version of the Applicant Guidebook.

	<p>Orphan glue records: Current provisions in the guidebook require each applicant to describe proposed measures for management and removal of orphan glue records for names removed from the zone. This requirement should remain in place, and will be adjusted if SSAC makes a new recommendation in its report on this issue.</p> <p>High Security Zone (HSTLD) concept: The HSTLD concept is a voluntary concept being developed by a cross-stakeholder group including the financial services industry for use in TLDs wishing to provide services on a high-security basis. Thus, the development of the concept does not impact the launch of the gTLD application process. Any publication of this concept will be shared freely with other organizations that might be interested in development of such a concept.</p> <p>ICANN will not be certifying or enforcing the HSTLD concept; ICANN is supporting the development of a reference standard for industry that others may choose to use as a certification standard of their own. ICANN will not endorse or govern the program, and does not wish to be liable for issues arising from the use or non-use of the standard.</p>
	<p><b>12 November 2010: Proposed Final Applicant Guidebook</b> <a href="http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-12nov10-en.pdf">http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-12nov10-en.pdf</a></p> <p><b>12 November 2010: Explanatory Memo—Morality &amp; Public Order</b> <a href="http://www.icann.org/en/topics/new-gtlds/explanatory-memo-morality-public-order-12nov10-en.pdf">http://www.icann.org/en/topics/new-gtlds/explanatory-memo-morality-public-order-12nov10-en.pdf</a></p>
<p><b>9 December 2010: Communiqué Cartagena</b> That the GAC will provide the Board at the earliest opportunity with a list or "scorecard" of the issues which the GAC feels are still outstanding and require additional discussion between the Board and the GAC. These include:</p> <ul style="list-style-type: none"> <li>• Protection of Rights Owners and consumer protection issues;</li> </ul>	<p><b>10 December 2010, Board meeting</b> New gTLD Remaining Issues <a href="http://www.icann.org/en/minutes/resolutions-10dec10-en.htm#2">http://www.icann.org/en/minutes/resolutions-10dec10-en.htm#2</a></p> <p>Resolved (2010.12.10.21), the Board:</p> <ol style="list-style-type: none"> <li>1. Appreciates the GAC's acceptance of the Board's invitation for an inter-sessional meeting to address the GAC's outstanding concerns with the new gTLD process. The Board anticipates this meeting occurring in February 2011, and looks forward to planning for this meeting in consultation and cooperation with the GAC, and to hearing the GAC's specific views on each remaining issue.</li> <li>2. Directs staff to make revisions to the guidebook as appropriate based on the comments received during the public comment period on the Proposed Final Applicant Guidebook and comments on the New gTLD Economic Study Phase II Report.</li> </ol>

	<ol style="list-style-type: none"><li>3. Invites the Recommendation 6 Community Working Group to provide final written proposals on the issues identified above by 7 January 2011, and directs staff to provide briefing materials to enable the Board to make a decision in relation to the working group's recommendations.</li><li>4. Notes the continuing work being done by the Joint Applicant Support Working Group, and reiterates the Board's 28 October 2010 resolutions of thanks and encouragement.</li><li>5. Directs staff to synthesize the results of these consultations and comments, and to prepare revisions to the guidebook to enable the Board to make a decision on the launch of the new gTLD program as soon as possible.</li><li>6. Commits to provide a thorough and reasoned explanation of ICANN decisions, the rationale thereof and the sources of data and information on which ICANN relied, including providing a rationale regarding the Board's decisions in relation to economic analysis.</li><li>7. Thanks the ICANN community for the tremendous patience, dedication, and commitment to resolving these difficult and complex issues.</li></ol>
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