

TRADEMARKS AND FREEDOM OF EXPRESSION IN ICANN'S NEW gTLD PROCESS

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I INTRODUCTION

Since the inception of the domain name system, battles have been fought between trademark holders seeking to protect their valuable commercial property in the domain space and those who assert competing interests in a given domain name. While some of these battles have been appropriately resolved in favour of trademark holders, others have been more fraught. Competing interests may include free speech, the protection of cultural and geographical symbols, and the protection of personal names and identities. Additionally, little has been done within the trademark arena to ensure the efficient allocation of domain names between multiple trademark holders with legitimate competing claims in a given domain name or set of domain names. Because trademark law is territorially limited and trademark rights are granted for specific product and service markets, it is not unusual for multiple trademark holders to assert rights in the same domain name.¹

While many of these challenges remain unresolved in practice, the Internet Corporation for Assigned Names and Numbers ('ICANN') in 2011 announced a plan to implement an ambitious expansion of the domain name system. This expansion will allow for the creation of hundreds, if not thousands, more generic Top Level Domains ('gTLDs'), to be brought online beginning in 2013. This will mean that an applicant who convinces ICANN of its technical, financial and operational capacity to operate a gTLD registry consisting of a string of alpha-numeric characters such as *.anything* and who navigates the application process successfully will be entitled to run a registry for any new gTLD. Applications for new gTLDs opened in January 2012, although the process will likely take a year or more for each new application depending on the speed with which the applications can be processed, and the resolution of disputes and objections to proposed new gTLDs.

Mechanisms have been put in place to streamline the process and to ensure the resolution of disputes in certain contexts. As with previous attempts by ICANN to resolve disputes in the domain space, it may be argued that these mechanisms as currently framed are too heavily weighted in favour of protecting trademark holders, potentially to the detriment of other important interests.

This article explains the challenges inherent in developing the new gTLD process and identifies likely battlegrounds for future legal challenges in new

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1 Jacqueline Lipton, *Internet Domain Names, Trademarks and Free Speech* (Edward Elgar, 2010) 63.

domain spaces. Both authors have been heavily involved in debating the balance between trademark interests and rights to free expression and privacy online. The following discussion sets out the history of the domain name system, highlighting the role of trademark lobbyists in the development of ICANN's programs and rules. In this context, they bring to light legal issues and challenges that will need to be addressed in coming years as the new gTLD program is implemented.

Part II identifies the existing legal and policy challenges for resolving various classes of disputes under current domain name regulations. From the challenges inherent in the current system, it extrapolates problems likely to arise within the new gTLD system as currently drafted as well as within second level domains adopted under any new gTLDs ultimately granted by ICANN. Parts III and IV trace the history of domain name regulation from the inception of the Uniform Domain-Name Dispute-Resolution Policy ('UDRP') in 1999 to the launch of the new domain name process in January of 2012. The discussion identifies challenges that have arisen throughout the process for balancing rights and obligations of trademark holders against those asserting other interests in the domain space.

Part V evaluates the trademark protections implemented in the final iteration of the new gTLD process. Part VI identifies the potential shortcomings and challenges likely to be faced by ICANN as well as its authorised dispute resolution bodies in bringing this new program online throughout 2012. Part VII concludes and makes recommendations for areas in which ICANN and the global trademark community should consider further guidelines to ensure an appropriate balance between the protection of trademarks and other interests within the new gTLD process.

II DOMAIN NAME DISPUTE CATEGORISATION AND CHALLENGES FOR THE NEW gTLD SYSTEM

From the mid-1990s onwards, case law, legislation and private dispute resolution mechanisms were developed aimed largely to protect trademark holders against bad faith cybersquatters — those who would register domain names corresponding with trademarks in order to profit from resale to a trademark holder or a competitor.² While these regulatory developments have been very successful, notably the UDRP — discussed in more detail below — the current regulatory matrix for the domain space is very focused on the trademark holder versus cybersquatter paradigm. Little regulatory emphasis has been placed on the resolution of disputes outside this context.

In many ways the prevention of cybersquatting is an easy case. Trademark infringement and dilution laws were up to the challenge in the early days of the domain name system,³ despite some concerns about cost and jurisdiction in relying on domestic trademark legislation to prevent cybersquatting. In 1999, the

2 Jonathan Nilsen, 'Mixing Oil with Water: Resolving the Differences between Domain Names and Trademark Law' (2002) 1 *Journal of High Technology Law* 47, 51.

3 Lipton, *Internet Domain Names, Trademarks and Free Speech*, above n 1, 14.

UDRP minimised the cost burdens on trademark holders and made it very easy and efficient for them to protect their valuable commercial marks in the domain space against cybersquatters.

However, what none of the regulatory options really do well is resolve classes of disputes involving domain names that are outside the traditional cybersquatting paradigm. Since the inception of the domain name system, many non-cybersquatting disputes have arisen. The resolution of these disputes has been more piecemeal and less efficient than the resolution of traditional cybersquatting claims.

One of the authors of this article has attempted to classify non-cybersquatting disputes involving domain names into the following categories:⁴ (a) First Amendment/free expression claims where a domain name registrant has registered a name corresponding with a trademark in order to comment on, parody, or criticise the trademark holder;⁵ (b) disputes between competing legitimate trademark holders where two or more trademark holders claim rights to the same domain name;⁶ (c) disputes involving personal names in the domain space;⁷ and (d) disputes involving cultural or geographic indicators in the domain space.⁸

These categories are not as clear-cut as they may first appear. There are significant overlaps between them. For example, free expression issues could arise in relation to trademarks or potentially personal names or geographical indicators utilised within a domain name. If a domain name registrant registered a domain name corresponding to an individual's name or the name of a cultural group in order to criticise or parody that person or group, significant free expression issues may come into play. However, the resolution of the dispute may vary depending on whether the personal name or geographic indicator has the status of a trademark.⁹ Where a name or cultural indicator is protected as a trademark, the holder of the rights in the mark could take full advantage of all of the protections granted by the trademark-focused domain name regulations. However, where the term in question is not trademarked or trademarkable, the regulations are not very useful.

Another example of potential overlap between these categories of dispute is the notion of 'legitimate competing interests' in the same domain name.¹⁰ For example, two individuals could have the same personal name and claim legitimate interests in the same domain name, just as two trademark holders with the same trademark (in different product or geographic markets) might claim legitimate competing interests in the same domain name. The disputes over legitimate competing interests tend to be resolved on a 'first-come, first-served' basis in the

4 Jacqueline Lipton, 'Beyond Cybersquatting: Taking Domain Name Disputes Past Trademark Policy' (2005) 40 *Wake Forest Law Review* 1361, 1381–4.

5 *Ibid* 1382–3.

6 *Ibid* 1383.

7 *Ibid*.

8 *Ibid* 1383–4.

9 Lipton, *Internet Domain Names, Trademarks and Free Speech*, above n 1, 142.

10 Lipton, 'Beyond Cybersquatting', above n 4, 1383.

current domain name system in the absence of any more sophisticated approaches being available.¹¹

Non-cybersquatting categories of domain name disputes are further resolved on a relatively piecemeal basis,¹² with some guidelines developed and promulgated periodically through the World Intellectual Property Organization ('WIPO') domain name arbitration system.¹³ However, these guidelines do not have legal or precedential force either within the UDRP system or at the domestic court level.

The most problematic areas of dispute resolution in the existing domain space have involved: (a) disputes where free expression is heavily implicated as in the case of gripe sites and parody sites; and (b) disputes that do not involve trademark interests. As the following discussion demonstrates, ICANN was mindful of these issues in developing its new gTLD program. However, the program as currently implemented still leans heavily towards the protection of trademark interests over other interests. Part of the reason for this, as demonstrated in the following pages, is the power the international trademark lobby wielded in the development process.

Additionally, it has been very difficult for those involved in creating the program to identify with sufficient specificity what other kinds of rights might be protected or protectable in the domain name space. While there are provisions for objection to the registration of a proposed new gTLD on the basis that the proposed gTLD might be offensive to a particular cultural group,¹⁴ or that it might infringe legal rights outside of trademark rights,¹⁵ there are no clear guidelines in the program as currently drafted to demonstrate what kinds of rights might be protected against inappropriate registrations, or what rights might potentially take precedence over other rights. For example, would the right of a person or cultural group to the gTLD that corresponds with their name necessarily trump a trademark right in the same or a similar name?

Then there is the associated problem of second level domains within a new gTLD space. Even where a new gTLD is approved and its management delegated to a particular gTLD registry operator, it is unclear whether, and if so, what kinds of rules should be adopted to ensure appropriate balancing of trademark rights and other interests within that domain space. Consider, for example, the hypothetical registration of *.shop* as a new gTLD. As with the current situation with the *.com*, *.net* and *.org* domains, a new gTLD registry operator will be obliged to comply with the UDRP.¹⁶ In other words, trademark interests, such as *nike.shop* or *amazon.shop* (for the bookstore rather than the geographical region) would be

11 Ibid 63.

12 Ibid 278.

13 See, eg, World Intellectual Property Organization, *WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ('WIPO Overview 2.0')* (2011) <<http://www.wipo.int/amc/en/domains/search/overview2.0/>>.

14 See, eg, ICANN, *gTLD Applicant Guidebook* (2011) [3.2.1].

15 Ibid.

16 See, ICANN, 'Module 5: Transition to Delegation' in *gTLD Applicant Guidebook* (ICANN, 2012) [5.2.2]. This mandates compliance with all ICANN Consensus Policies, of which the UDRP is one.

prioritised over other interests. However, the trademark-focused UDRP may not be a particularly good fit for some new gTLDs that suggest specific kinds of second level domains. For example, if a registrar were to successfully obtain a gTLD like *.region*, *.travel* or *.geography*, the nature of that domain space might suggest that the protection of trademark interests should not take priority in that domain over, say, geographical names (city names, names of travel destinations etc) that may not be trademarked. Yet no guidelines or policies have been developed to deal with this and other similar issues.

The following discussion describes in some detail the way in which ICANN developed the new gTLD process with particular reference to the balance ICANN attempted to strike between the rights of trademark holders and the protection of other important interests in the domain space. The authors then conclude by identifying the challenges for the future of this new system and the questions that remain open as the system is currently drafted.

III TRADEMARKS AND THE INTERNET DOMAIN NAME SYSTEM

A ICANN and the Path towards a New gTLD Process

On 20 June 2011, the Board of Directors of ICANN passed a resolution to implement the most expansive change to the internet domain name system ('DNS') to date: it authorised its Chief Executive Officer and staff to launch a program that would see an unprecedented number of new gTLDs approved and entered into the DNS.¹⁷ As the entity entrusted with the management and coordination of technical aspects of the global internet to ensure its stability and security, ICANN '[c]oordinates the allocation and assignment of the ... unique identifiers that make up the Internet addressing system, including domain names.'¹⁸ To the layperson and average internet user, ICANN's most visible activity is the management of the gTLD system, in particular of gTLDs such as *.com*, *.org* and *.net*. As of January 2012, there were 22 approved gTLDs, of which a few are restricted and unavailable for use by the public at large (for example, registrations in the *.int* gTLD are limited to intergovernmental organisations, while *.gov* is reserved for departments and agencies of the United States government).¹⁹ A substantial

17 ICANN Board, *Approved Board Resolutions* (20 June 2011) ICANN <<http://www.icann.org/en/minutes/resolutions-20jun11-en.htm>>.

18 ICANN, *Bylaws for Internet Corporation for Assigned Names and Numbers* (18 March 2011) art 1 s 1 <<http://www.icann.org/en/general/archive-bylaws/bylaws-18mar11-en.htm>> ('*Bylaws*').

19 The current list of 22 gTLDs are: *.aero*, *.arpa*, *.asia*, *.biz*, *.cat*, *.com*, *.coop*, *.edu*, *.gov*, *.info*, *.int*, *.jobs*, *.mil*, *.mobi*, *.names*, *.net*, *.org*, *.post*, *.pro*, *.tel*, *.travel* and *.xxx*. In addition, there are currently 249 country-code Top-Level Domains ('ccTLDs'), each maintained by a national registration authority (which collectively are represented at ICANN through the ccTLD Supporting Organization) and 30 internationalised domain names ('IDN') TLDs, which are TLDs in a script other than the Latin script, eg Arabic, Cyrillic and Chinese. For a complete list of all current gTLDs, ccTLDs and IDN TLDs, refer to the root zone database maintained by the Internet Assigned Numbers Authority ('IANA'): IANA, *Root Zone Database* <<http://www.iana.org/domains/root/db/>>.

change to — much less a large-scale expansion of — the DNS is therefore likely to have a major impact upon individual and commercial internet users in many significant ways. For trademark owners, the decision to vastly expand the DNS magnified their existing online enforcement problems and raised the spectre of an exponential increase in cybersquatting and related undesirable activity.

The ICANN Board did not come to their 2011 resolution either lightly or easily. In June 2008, it had already approved initial implementation of a broad new gTLD program, based on several years of background work.²⁰ That 2008 resolution set into motion three years of debate, negotiation and compromise both with and within the global trademark community, and led to the adoption by ICANN of a set of ground-breaking new rights-protection mechanisms for trademarks that will enhance existing processes and remedies, including the UDRP.

Much has already been written about cybersquatting and the nature and effects of the existing legal causes of action and enforcement mechanisms,²¹ and this article will not attempt to retread that ground. That history is, however, relevant today as ICANN prepares to implement the largest expansion to the DNS that has ever been attempted. In particular, unresolved issues concerning the potential ramifications for free speech that arise when internet policy overly favours trademark owners, and the troubling nature of some of the processes by which such policies are developed, continue to present difficulties, especially for ICANN as it struggles to craft balanced policies that will serve legitimate trademark law objectives while preserving countervailing public interests in free expression and an open internet.

The DNS is essentially a hierarchical, globally-distributed database of data relating to domain names. A domain name consists of a sequence of alphanumeric labels separated by dots, such as *www.icann.org*, where 'org' is the top-level domain, and 'icann' (the name of ICANN the organisation) is the second-level domain. Each domain name can also have further sub-domains, for example, *newgtlds.icann.org*, where 'newgtlds' is the sub-domain containing information about ICANN's new gTLD program. The DNS maps every domain name to the unique numeric identifier associated with each computer connected to the internet and vice versa. Known as an Internet Protocol ('IP') address, this unique numeric identifier consists of four parts, each a number between 0 and 255, separated by a dot. For example, the IP address for the computer server associated with the *icann.org* domain name is 192.0.43.7. The DNS' domain name database is distributed among multiple servers, which decreases the load on any single server and allows for scalability as more domain names and servers are added to the system. By design, it is also hierarchical in that different name servers hold authoritative information about each level of a domain name, with the current 13 name servers around the world that house information about top-level domains known as the 'authoritative root'.

20 ICANN Board, *GNSO Recommendations on New gTLDs* (26 June 2008) ICANN <http://www.icann.org/en/minutes/resolutions-26jun08.htm#_Toc76113171>.

21 See, eg, Lipton, 'Beyond Cybersquatting', above n 4.

Because domain names are vastly easier to remember and use than individual IP addresses, the DNS is fundamentally important to the reliable and predictable routing of internet communications, and ensuring its accuracy, robustness and security is therefore essential. In the early days of the internet, when it was a small network originating in the United States Department of Defense ('DoD') as primarily a research network, management of the root and allocation of domain names was administered by Jon Postel, a computer scientist at the University of Southern California's Information Sciences Institute, under a contract with DoD.²² Registration of domain names was done by a single company, Network Solutions, Inc.²³ As the internet grew and its commercial use increased, it became clear to the United States government that a competitive registration system as well as a central coordination body that would manage the DNS as a form of public trust would be necessary to ensure continued growth and stability of the internet. Following a number of White Papers and public consultations, ICANN was formed as a non-profit, California-based corporation in late 1998.²⁴

Since its formation, ICANN has launched two rounds of domain name expansion for gTLDs, each of which expanded the gTLD system slightly, through a strictly-limited number of additional gTLDs. The first such expansion round took place in late 2000, and was known as the 'proof of concept' round as it was designed to be a test bed to lead to an evaluation of the policy and practical issues associated with the expansion process. Forty-seven applications were received, of which three were withdrawn. From the remaining 44, the ICANN Board selected seven: *.aero*, *.biz*, *.coop*, *.info*, *.museum*, *.name* and *.pro*. In July 2002, as part of the planned evaluation process, ICANN's New TLD Evaluation Process Planning Task Force published a series of questions that in its view 'must be addressed early and most importantly as a prerequisite to embarking on another round of proposals for new gTLDs.'²⁵ Even before completing the evaluation process, however, the ICANN Board approved a plan to solicit proposals for a limited number of sponsored new gTLDs (a sponsored TLD is a specialised TLD that serves the needs of a defined community not otherwise adequately represented in the DNS; three of the seven gTLDs approved in 2000 were sponsored gTLDs: *.aero*, *.coop* and *.museum*).²⁶

In 2004, ICANN launched its Request for Proposals for the new sponsored gTLDs. Ten responses were received, four of which were applicants who had been unsuccessful during the 2000 round. The ICANN Board ultimately selected *.asia*, *.cat*, *.jobs*, *.mobi*, *.post*, *.tel* and *.travel* as new sponsored gTLDs. Subsequently,

22 US General Accounting Office, 'Department of Commerce: Relationship with the Internet Corporation for Assigned Names and Numbers' (B-284206, 7 July 2000) 17–18.

23 Ibid 6.

24 See, eg, National Telecommunications and Information Administration, *Management of Internet Names and Addresses* (22 July 2000) United States Department of Commerce <<http://www.icann.org/en/about/agreements/white-paper>>. For a full account of the history of the DNS and ICANN, see, eg, Milton Mueller, *Ruling the Root: Internet Governance and the Taming of Cyberspace* (MIT Press, 2002).

25 See, eg, ICANN, *Final Report of the New TLD Evaluation Process Planning Task Force* (July 31 2002) <<http://archive.icann.org/en/committees/ntepptf/final-report-31jul02.htm>>.

26 Board Resolution 02.152, ICANN, *Fourth Annual Meeting of the ICANN Board in Amsterdam Preliminary Report* (15 December 2002) <<http://www.icann.org/en/groups/board/documents/prelim-report-15dec02-en.htm>>.

although it had first been proposed during the 2000 'proof of concept' round, resubmitted during the 2004 round and received preliminary approval in 2005, execution of the .xxx gTLD registry agreement was formally approved by the ICANN Board only in March 2011, partially due to concerns raised by many, including ICANN's own Government Advisory Committee, over the nature of the .xxx sponsored gTLD, which was adult entertainment domain name registrations. ICANN's handling of the controversy over .xxx,²⁷ and community dissatisfaction over its compliance mechanisms,²⁸ would add fuel to the fire of the debates and discord that arose during ICANN's next attempt to expand the gTLD system.

B Policymaking and Trademark Interests in the New gTLD Policy Process

The ICANN bylaws state that it should seek and support 'broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making' and employ 'open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process'.²⁹

ICANN was established to epitomise a bottom-up, multi-stakeholder consensus model of governance.³⁰ It is not an intergovernmental organisation, although governments participate in its deliberations through the Government Advisory Committee ('GAC'), which under the current ICANN bylaws is intended as a body to provide 'advice on the activities of ICANN as they relate to the concerns of governments'.³¹ Under the bylaws, GAC advice 'shall be duly taken into account, both in the formulation and adoption of policies'.³²

As recent developments relating to the new gTLD program indicate, it may be that governments occupy a somewhat more privileged position than some other

27 See, eg, Berkman Center for Internet and Society, 'Accountability and Transparency at ICANN: An Independent Review' (Final Report, Harvard Law School, 20 October 2010) <<http://www.icann.org/en/reviews/affirmation/atrt-review-berkman-final-report-20oct10-en.pdf>>.

28 See, eg, Letter from the Federal Trade Commission to the Chairman of the Board of Directors of ICANN and the President and CEO of ICANN, 16 December 2011 <<http://www.ftc.gov/os/closings/publiclts/111216letter-to-icann.pdf>>; Letter from ICANN President and CEO to Chairman of Federal Trade Commission, 10 January 2012, 9 <<http://www.icann.org/en/correspondence/beckstrom-to-leibowitz-10jan12-en.pdf>>, in which ICANN CEO Rod Beckstrom noted that ICANN has recently expanded its contractual compliance department and is 'actively engaged in enhancing the "culture of compliance" around [its] key contractual relationships' in relation to ICANN's New gTLD Program.

29 ICANN, *Bylaws*, above n 18, art I s 2. Articles III and IV then detail the need for accountability and transparency in ICANN's mechanisms and decision-making process.

30 See, eg, Esther Dyson, Interim Chair of Board of Directors ICANN, *Prepared Testimony of Esther Dyson to the US House of Representatives* (22 July 1999) <<https://www.icann.org/en/correspondence/dyson-testimony-22jul99.htm>>.

31 ICANN, *Bylaws*, above n 18, art XI s 2.1(a).

32 Ibid art XI s 2.1(j).

stakeholders.³³ The difference between governments as participants in ICANN processes and other stakeholders is also enshrined in the ICANN bylaws, which spell out a process for ICANN consideration of GAC advice. This process does not apply to any of the other supporting organisations or advisory committees:

In the event that the ICANN Board determines to take an action that is not consistent with the Governmental Advisory Committee advice, it shall so inform the Committee and state the reasons why it decided not to follow that advice. The Governmental Advisory Committee and the ICANN Board will then try, in good faith and in a timely and efficient manner, to find a mutually acceptable solution ... If no such solution can be found, the ICANN Board will state in its final decision the reasons why the Governmental Advisory Committee advice was not followed, and such statement will be without prejudice to the rights or obligations of Governmental Advisory Committee members with regard to public policy issues falling within their responsibilities.³⁴

As a result of ICANN's multi-stakeholder, consensus-based structure and history, policymaking within ICANN can be, and often is, a drawn out and rambunctious affair. The processes that led to the ICANN Board's initial approval of the new gTLD program in June 2008, and its final resolution to implement the program in June 2011, as well as the time it took for the program to move from concept to implementation, attest to the procedural complexity and political machinations that go on 'behind the scenes' at ICANN.

Where new gTLDs were concerned, the Intellectual Property Constituency ('IPC') was particularly vocal in, first, its lack of support for new gTLDs and, secondly and subsequently, its emphasis on the need to develop appropriate trademark protections.³⁵ In large part, its strong participation in the Generic Names Supporting Organization ('GNSO') policy process,³⁶ and its willingness to exert influence within ICANN, led directly to several initiatives geared toward ensuring adequate trademark protections in the new gTLD program.

Part of the reason why trademark interests (most concentrated within the IPC) are so prominent at ICANN today is historical. Early in ICANN's history, and at the first 'official' ICANN meeting since its formation, the ICANN Board decided that the Domain Name Supporting Organization ('DNSO') — the precursor to today's GNSO — would be comprised of seven constituencies: the country-code top-level domain ('ccTLD') Registries, the gTLD Registries,

33 For an analysis of the evolution and the state of the relationship between ICANN and national governments, see, eg, Jonathan Weinberg, 'Governments, Privatization and "Privatization": ICANN and the GAC' (2011) 18 *Michigan Telecommunications and Technology Law Review* 189.

34 ICANN, *Bylaws*, above n 18, art XI ss 2.1(j)–(k).

35 IPC, *Comments on the Intellectual Property Constituency Terms of Reference for New gTLDs* (31 January 2006) <http://ipconstituency.org/PDFs/2006-Jan31_IPC%20Response%20to%20New%20gTLD%20Terms%20of%20Reference.pdf>; IPC, *The Intellectual Property Constituency Impact Statement Regarding the Introduction of New gTLDs* (7 June 2007) <<http://ipconstituency.org/PDFs/IPC%20Impact%20Statement%20re%20new%20gTLDs.pdf>>.

36 The GNSO is charged with 'developing and recommending to the ICANN Board substantive policies relating to generic top level domains.' ICANN, *Bylaws*, above n 18, art X.

Registrars, commercial and business interests, internet service providers, non-commercial domain name registrants, and trademark, intellectual property and anti-counterfeiting interests.³⁷ Today, the ccTLD Registries work through their own Supporting Organisation, the ccNSO, but with some largely procedural changes the remaining six original constituencies continue to exist as distinct groups within the ICANN framework,³⁸ residing within the GNSO, which is one of the three Supporting Organisations ('SOs') to the ICANN Board of Directors (the third SO is the technically-oriented Addressing Supporting Organization).³⁹

The IPC has been very involved since the start of the GNSO's policy development effort for the new gTLD program.⁴⁰ In addition to numerous public statements and comments on the issue, the GNSO's Protecting the Rights of Others Working Group was set up in early 2007 within the GNSO's Committee for the Introduction of New Domain Names to examine additional rights-protection mechanisms employed by incumbent gTLD registries. It was tasked with recommending a set of best practices for any new expansion, and was chaired by an IPC member and GNSO Council representative.⁴¹ The IPC also published a guide to 'sunrise' registrations in new gTLDs upon the last gTLD expansion round in 2008.⁴²

The IPC was never a wholehearted supporter of the proposal to expand the gTLD system, generally noting that to the extent new gTLDs were to be introduced, this ought to be done in a slow and controlled manner with adequate safeguards for intellectual property rights and preferably limited to sponsored TLDs. Other notable industry groups representing trademark owners, in particular the International Trademark Association ('INTA'), also joined in the fray. Like the IPC, INTA expressed concern that ICANN's move toward an unlimited expansion of the DNS had been undertaken without adequate evidence of economic benefits and real needs, and recommended that any expansion of gTLDs should only take place when the issues identified by ICANN, including trademark protection, have been resolved, and that 'any expansion of the generic domain name space must not be unlimited, but must be responsible, deliberate and justified'.⁴³

37 ICANN, *Domain Name Supporting Organization Formation Concepts* (4 March 1999) <<http://www.icann.org/en/meetings/singapore/dnso-formation.htm>>.

38 It should be noted that in 2008 the GNSO underwent an extensive reorganisation with the result that the various constituencies are now organised into Stakeholder Groups, with a certain level of representation on the restructured GNSO Council: see Board of ICANN, *GNSO Restructure — Council Organization and Voting Thresholds* (28 August 2008) ICANN GNSO <<http://gns0.icann.org/en/improvements/structure-en.htm>>.

39 See ICANN, *ICANN Organizational Chart* <<http://www.icann.org/en/groups/chart>>.

40 See, eg, the IPC's public statements on various ICANN proposals, including the new gTLD program, IPC, *IPC Position Papers* <<http://www.ipconstituency.org/position-statements/>>. Specifically, in relation to the new gTLD program, the IPC prepared and submitted at least 20 statements from January 2006 through July 2011.

41 The Working Group was not able to reach consensus on best practices: Kristina Rosette, Kelly Smith and Liz Williams, 'Protecting the Rights of Others Working Group (Pro WG)' (Final Report, ICANN, 1 June 2007) 5 <<http://gns0.icann.org/drafts/GNSO-PRO-WG-final-01Jun07.pdf>>.

42 IPC, *The Perfect Sunrise? How Pre-Launch Rights Protection Mechanisms and Successful Registry Operations Go Hand in Hand* (June 2008) <<http://ipconstituency.org/PDFs/A%20Perfect%20Sunrise.PDF>>.

43 INTA Board, *Board Resolutions, Creation of New gTLDs and Trademark Protection* (8 July 2009) <<http://www.inta.org/Advocacy/Pages/CreationofNewgTLDsandTrademarkProtection.aspx>>.

The IPC maintains a very close relationship with INTA. For example, the immediate past chair of the IPC is the current Secretary of the INTA Board, a former GNSO Council representative from the IPC is INTA's current Treasurer, and the current IPC Secretary is also a member of INTA's Board.⁴⁴ In addition, the Implementation Recommendations Team — the expert panel formed by the IPC to develop rights-protection mechanisms appropriate for the new gTLD program as a result of an ICANN Board resolution in March 2009 — was chaired by a former Council member who has also served as Chair of INTA's Internet Committee, and several Team members have also held leadership positions within INTA.⁴⁵ As is true with other ICANN constituencies, several IPC members and officers have also been involved in ICANN since its inception, including drafting the UDRP. In addition, IPC membership is divided into tiers with varied voting rights; international associations such as INTA are Category 3 members, entitling them to cast three votes each, whereas Category 1 membership, which includes individuals, collectively have only three votes in total.⁴⁶ It is unsurprising that the message to ICANN from the trademark community focuses powerfully and fundamentally on protecting their commercial interests.

C The Evolution of the New gTLD Program

The current expansion of the DNS through the introduction of new gTLDs is not new. As discussed in an earlier section of this article, earlier rounds of gTLD expansion have already been completed; first in 2000, then through a subsequent 2004 expansion round, followed by approval in 2010 of the .xxx gTLD by the ICANN Board.⁴⁷ The primary critical difference between the current expansion, which was formally opened for applications on 12 January 2012, and the previous rounds is that where the latter had been limited to only a limited number of specifically-named gTLDs, the current program has no such restrictions. In theory at least, and subject only to technical and other practical limitations, the latest new gTLD program could see the introduction of thousands or more new gTLDs. ICANN has publicly acknowledged that there is no way to foresee the actual number of applications and has announced that, if necessary, application processing will be done in batches, with the first batch limited to 500 and subsequent batches to 400 each.⁴⁸

44 INTA, *2012 Board of Directors* <<http://www.inta.org/Board/Pages/Board.aspx>>.

45 See, eg, the full list of Team members: IPC, *Implementation Recommendation Team (IRT)* (23 March 2009) <http://ipconstituency.org/PDFs/IRT_FINAL_CONTACT_LIST.pdf>.

46 See, eg, IPC Bylaws, IPC, *Bylaws of the Intellectual Property Interest Constituency* (15 November 2010) <<http://www.ipconstituency.org/bylaws/>>; and the list of its Category 3 members, IPC, *IPC Category 3 Membership* <<http://www.ipconstituency.org/category-3-members/>>.

47 ICANN GNSO, 'Introduction of New Generic Top-Level Domains' (Final Report, 8 August 2007) <<http://gns0.icann.org/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm>>; ICANN Board, *4. ICM Registry Sponsored Top-Level Domain — .XXX* (10 December 2010) ICANN <<http://www.icann.org/en/minutes/resolutions-10dec10-en.htm#4>>.

48 ICANN, *Frequently Asked Questions* <<http://newgtlds.icann.org/en/applicants/customer-service/faqs/faqs-en>>.

The new gTLD program has its roots in ICANN activity dating from 2005, shortly after the last expansion round had taken place. Under the ICANN bylaws, substantive policy recommendations relating to gTLDs are developed by the GNSO. The process commences with the GNSO Council formally requesting an Issues Report from ICANN staff on the issue at hand.⁴⁹ The Council did so in September 2005. The Issues Report prepared by ICANN staff was published in December 2005. It recommended that the GNSO Council approve a Policy Development Process ('PDP') that would, inter alia, consider whether or not to introduce new gTLDs.⁵⁰

The Council moved to approve such a PDP upon receipt and consideration of the report, and its decision launched an extensive debate within the ICANN community.⁵¹ The sheer number of documents, working groups and meetings that were involved in developing the new gTLD program speaks volumes about the scale of disagreement among the many entrenched interests within ICANN. Eventually, the GNSO's Final Report on the Introduction of New Generic Top Level Domains was published in August 2007.

In its report, the GNSO outlined several reasons for proceeding with another expansion to the DNS through the introduction of additional new gTLDs:

- (i) It is consistent with the reasons articulated in 1999 when the first proof-of-concept round was initiated.
- (ii) There are no technical impediments to the introduction of new top-level domains as evidenced by the two previous rounds.
- (iii) Expanding the domain name space to accommodate the introduction of both new ASCII and internationalised domain name (IDN) top-level domains will give end users more choice about the nature of their presence on the Internet. In addition, users will be able to use domain names in their language of choice.
- (iv) There is demand for additional top-level domains as a business opportunity.⁵²

Its recommendations for another expansion round centred on a set of seven Principles, 20 Recommendations and 18 Implementation Guidelines. The Principles were supported by all the GNSO constituencies (including the IPC), while minority statements were submitted in relation to a number of the Recommendations and Implementation Guidelines by the GNSO's Non-Commercial Users Constituency. The Principles summarised recommendations

49 Note that the Council was following the bylaws that applied at the time. Since then, the GNSO's rules and processes for, inter alia, voting thresholds and handling a PDP have been revised.

50 Olof Nordling and Liz Williams, *GNSO Issues Report: Introduction of New Top-Level Domains* (5 December 2010) ICANN <<http://gns0.icann.org/issues/new-gtlds/gns0-issues-rpt-gtlds-05dec05.pdf>>.

51 See, eg, the list of reports and comments/input received by the GNSO Council: ICANN, *GNSO Policy Work on New gTLDs* <<http://gns0.icann.org/issues/new-gtlds/>>.

52 ICANN GNSO, above n 47.

relating to selection criteria and other matters that would ensure that new gTLDs would be introduced in an ‘orderly, timely and predictable’ fashion,⁵³ though without specific reference as to whether or not sponsored or unrestricted gTLDs, or a limited number of gTLDs over a much larger number, would be preferable. Trademark issues were expressly considered under Recommendations 2 and 3 which stated respectively that: ‘[s]trings must not be confusingly similar to an existing top-level domain or a Reserved Name’; and ‘[s]trings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law’.⁵⁴

At its meeting in September 2007, the GNSO Council voted to send the recommendations to the ICANN Board.⁵⁵ The Board formally approved the recommendations in June 2008,⁵⁶ and specifically directed ICANN staff to

continue to further develop and complete its detailed implementation plan, continue communication with the community on such work, and provide the Board with a final version of the implementation proposals for the board and community to approve before the new gTLD introduction process is launched.⁵⁷

With influential trademark owners raising opposition to, and warnings about, trademark risks in the new gTLD program, it is not entirely surprising that in early 2009 ICANN identified the need to develop appropriate trademark protections as one of four overarching issues that required further examination before the new program could proceed.⁵⁸ The ICANN Board moved quickly to form, at the recommendation of the IPC, a team of trademark experts who would be tasked with developing feasible rights-protection mechanisms for trademark owners in the new gTLD program. The recommendations made by this Implementation Recommendations Team (‘IRT’) in May 2009 would go on to, first, create a political maelstrom within ICANN that would resonate externally; and, secondly, form the basis for what will be the new rights-protection mechanisms in the new gTLD program.

53 Specifically Principle A: *ibid.*

54 The recommendation goes on to state that:

Examples of these legal rights that are internationally recognized include, but are not limited to, rights defined in the *Paris Convention for the Protection of Industry Property* (in particular trademark rights), the *Universal Declaration of Human Rights (UDHR)* and the *International Covenant on Civil and Political Rights (ICCPR)* (in particular freedom of expression rights).

Ibid.

55 GNSO Council, *GNSO Council Resolution 20070906-01* (6 September 2007) ICANN <<http://gnso.icann.org/resolutions/#200709>>.

56 ICANN Board, *GNSO Recommendations on New gTLDs*, above n 20, Resolution 2008.06.26.02.

57 *Ibid.* Resolution 2008.06.26.03.

58 See discussion below over longstanding trademark concerns. The other three overarching issues were TLD demand and related economic analysis, DNS security and stability (including the scalability of the root zone) and the potential for malicious conduct.

IV TRADEMARKS, DOMAIN NAMES DISPUTES AND THE NEW gTLD PROGRAM

A Cybersquatting: Current Remedies and the New gTLD Program

One of the earliest trademark-related problems that domain names created was identified as cybersquatting, ie the act of registering, using or trafficking in a domain name that is identical or confusingly similar to a legally-protected mark, with a bad faith intent to profit from such an act.⁵⁹ At ICANN, the UDRP was adopted in October 1999 and through its incorporation into ICANN's contracts with all of its accredited Registrars, became the de facto method for resolving cybersquatting disputes.⁶⁰ Its grounds for a finding of cybersquatting also formed the basis for the first national statute passed to deal exclusively with the problem: the *Anticybersquatting Consumer Protection Act* ('*ACPA*') in the United States.⁶¹ Both the *ACPA* and the UDRP provide mechanisms for a trademark holder to object to a bad faith for profit registration or use of a domain name corresponding with a trademark. Both sets of regulations also allow for a registrant to raise a legitimate use defence to the mark-holder's claim.

Given the costs associated with traditional litigation, it was to be expected that the *ACPA*, as compared with the UDRP, would not be the preferred means of enforcement amongst trademark owners; enjoying only a moderate rate of success since its enactment in 1999.⁶² The UDRP is the preferred avenue of dispute resolution for trademark owners. The UDRP was the first-ever Consensus Policy developed by ICANN to be binding on its accredited Registrars, and as a form of mandatory administrative proceeding is currently the only non-judicial, global standard dispute resolution policy for trademark-related disputes.⁶³ The imminent

59 Lipton, *Internet Domain Names, Trademarks and Free Speech*, above n 1, 5.

60 Although it is important to note that UDRP proceedings do not preclude litigation. See UDRP, clause 4(k) ('The mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded'): *Uniform Domain-Name Dispute-Resolution Policy* (24 October 1999) 4(k) <<http://www.icann.org/en/udrp/udrp-policy-24oct99.htm#4>>.

61 15 USC (1999).

62 As of October 2011, cybersquatting was found in 58 per cent of cases, compared with 30 per cent where no cybersquatting was found, with about 10 per cent resolved on procedural grounds: Jude A. Thomas, 'Fifteen Years of Fame: the Declining Relevance of Domain Names in the Enduring Conflict between Trademark and Free Speech Rights' (2011) 11 *John Marshall Review of Intellectual Property Law* 1, 22, citing Finnegan, Henderson, Farabow, Garrett and Dunner, LLP, *Internet Trademark Case Summaries* (2012) Finnegan <<http://www.finnegan.com/publications/updates/newsletters/itsc>>.

63 Consensus Policies are binding on gTLD Registry Operators and ICANN-accredited Registrars, through the agreements each signs with ICANN. Consensus Policies are developed through a formal Policy Development Process within the GNSO, as detailed in Annex A to the ICANN bylaws: ICANN, *Bylaws for Internet Corporation for Assigned Names and Numbers* (16 March 2012) annex A <<http://www.icann.org/en/general/bylaws.htm#AnnexA>>. The latest version of Annex A was unanimously approved by the GNSO Council in October 2011 and formally adopted by the ICANN Board in December 2011: ICANN, *Approved Board Resolutions: Special Meeting of the ICANN Board*, Board Resolution 2011.12.08.11 (2011) <<http://www.icann.org/en/groups/board/documents/resolutions-08dec11-en.htm#2.5>>.

launch of hundreds, perhaps thousands, of new gTLDs will see the introduction of a number of other mandatory rights-protection mechanisms, including a fast-track domain name suspension system based on the UDRP.

By a number of measures the UDRP can be considered a success, at least insofar as its function is to preserve and protect trademark interests in domain names. As of August 2011, a total of 36 443 complaints had been filed across all the various dispute resolution service providers ('DRSPs'), with 28 270 panel decisions rendered.⁶⁴ The International Trademark Association ('INTA'), whose 5900 members include some of the most well-known brands and trademarks globally, has stated publicly that:

[t]he UDRP has proven to be efficient in terms of time to research, draft, file and respond to complaints, time to decision, and costs as compared to traditional litigation. The process is straightforward and well understood ... and the Policy and Rules have proven to be flexible in their application to developing trends in website uses such as phishing, pharming, pay-per-click advertising and pop-up advertising. [It] has proved to be a time-tested method for avoiding litigation over domain names [and is] the only known mechanism for resolving disputes across all gTLDs, in any country.⁶⁵

In addition, the 2011 Final Issue Report published by ICANN on the Current State of the UDRP concluded that the UDRP has been 'widely recognized as one of ICANN's defining accomplishments' and 'has won international respect as an expedient alternative to judicial options for resolving trademark disputes arising across multiple national jurisdictions'.⁶⁶

In contrast with the territorial limitation of national trademark laws, the uniform adoption of the UDRP by all ICANN-accredited Registrars means that its use and application is geographically widespread. According to WIPO, complainants filing under the UDRP in 2010 originated from over 112 countries, and the top five business sectors they represented were retail, banking and finance, biotechnology and pharmaceuticals, internet and information technology, and fashion.⁶⁷

64 The figures cited in the main text are taken from 'The Uniform Dispute Resolution Policy and WIPO', a discussion paper prepared for INTA's conference on Trademarks and the Internet, held in September 2011: Arbitration and Mediation Center, World Intellectual Property Organization, 'The Uniform Dispute Resolution Policy and WIPO' (Discussion Paper, World Intellectual Property Organization, August 2011) <<http://www.wipo.int/amc/en/docs/wipointaudrp.pdf>>.

65 See the public comment document filed by INTA's Internet Committee to ICANN, in response to ICANN's call for public comments on the Preliminary GNSO Issue Report on the Current State of the UDRP: Internet Committee, INTA, 'Comments of the Internet Committee of the International Trademark Association on the "Preliminary GNSO Issue Report on the Current State of the Uniform Dispute Resolution Policy"' (Comment Document, 15 July 2011) 5 <<http://www.inta.org/Advocacy/Documents/July152011UDRP.pdf>>.

66 Margie Milam, 'Final GNSO Issue Report on the Current State of the Uniform Domain Name Dispute Resolution Policy' (GNSO Final Issue Report, Generic Names Supporting Organization, 3 October 2011) 3–12 <<http://gns0.icann.org/issues/udrp/udrp-final-issue-report-03oct11-en.pdf>>.

67 See Secretariat, World Intellectual Property Organization, *WIPO Arbitration and Mediation Center, Including Internet Domain Names*, 40th WIPO General Assembly, UN Doc WIPO/GA/40/9 (26 July 2011) 3.

It is perhaps not surprising that trademark owners favour the UDRP over more conventional dispute resolution and trademark enforcement mechanisms. Besides its global reach and the much lower fees associated with filing a complaint, its speediness of resolution and clarity of remedy are obviously highly attractive considerations. The overwhelming success rate that trademark owners have enjoyed under the UDRP has made the UDRP a complainant-favourable environment and led to allegations that both the policy and the DRSP panellists are heavily biased in favour of rights-holders.

WIPO-compiled figures show that cancellations and transfers accounted for between 81.4 per cent (from the newest DRSP, the Czech Arbitration Court, with just 45 decisions) and 93 per cent (655 decisions from the Asian Domain Name Dispute Resolution Centre, or ADNDRC) of the decisions.⁶⁸ Of all the DRSPs, WIPO administers the most number of cases: from the filing of the first UDRP dispute in 1999, its caseload rose to 2764 in 2011, for a total number of 22 531 cases as of early 2012.⁶⁹ As of August 2011, its combined total number of 14 418 panel decisions yielded an overall cancellation or transfer rate of 86.1 per cent,⁷⁰ which would mean that over 12 000 domain names have been cancelled or transferred over a period of 12 years.

Looking beyond success as measured by the overall percentage rates, however, a more measured picture emerges when examining the actual number of complaints filed and cancellations or transfers made in the wider context of the total number of domain name registrations across all gTLDs over the same period. As of the close of the third quarter of 2011, almost 220 million domain names had been registered across all TLDs (including both gTLDs and ccTLDs).⁷¹ The number of registered domain names in the .com and .net gTLDs was 112 million, with well over 80 million registered in the .com gTLD alone.⁷² These numbers represent a staggering rate of growth since October 1999, when the UDRP was adopted by ICANN — on 1 January 2000, the number of .com domains was estimated to have been just over 8 million (8 006 100), within a total combined number of just over 10 million (10 008 475).⁷³

There has thus been a ten-fold increase in the number of .com registrations in just under 12 years, and an even more impressive growth of over 20 times the number of total domain name registrations. In part, this may have been due to the

68 Arbitration and Mediation Center, World Intellectual Property Organization, 'The Uniform Dispute Resolution Policy and WIPO', above n 64, 4.

69 WIPO statistics: World Intellectual Property Organization, *Total Number of Cases per Year* (2012) WIPO Arbitration and Mediation Center <<http://www.wipo.int/amc/en/domains/statistics/cases.jsp>>.

70 Ibid <http://www.wipo.int/amc/en/domains/statistics/decision_rate.jsp?year=>>.

71 Verisign, 'The Domain Name Industry Brief' (Report, vol 8(4), December 2011) 2 <<http://www.verisigninc.com/assets/domain-name-brief-december2011.pdf>>.

72 Ibid. It has been estimated that there are currently over 100 million .com domain names under management by Verisign: for updated statistics see Domain Tools, *Daily DNS Changes and Web Hosting Activity* (29 March 2012) Daily Changes <<http://www.dailychanges.com>> (a service provided by Domain Tools, a domain name research and monitoring service provider).

73 See Matthew Zook, *ZookNIC: Internet Intelligence* <<http://www.zooknic.com/Domains/counts.html>>. The first-ever .com domain name was registered on 15 March 1985, by a computer manufacturer, for *symbolics.com*.

introduction of more TLDs in the intervening time frame, from the two rounds approved by the ICANN Board in 2000 and 2004 to the increasing number of ccTLDs. Leaving aside certain ccTLDs, however, few other gTLDs have yet to make any meaningful strides toward reducing the overwhelming dominance of *.com* (although several other gTLDs, such as *.info*, *.net* and *.org* manage a relatively significant number of registrations in their domains).

When viewed against these registration numbers, the total number of disputes filed under the UDRP can seem rather small in comparison. For example, 4367 and 4780 complaints were filed under the UDRP at WIPO in 2010 and 2011 respectively.⁷⁴ In 2010, there were 2177 filings at the second-most utilised DRSP, the National Arbitration Forum (NAF), of which 96.6 per cent related to registrations in gTLDs.⁷⁵ Nonetheless there is a clear upward trend in the number of UDRP filings year-on-year, indicating that cybersquatting continues to be an issue for trademark owners, who rely primarily on the UDRP to resolve the problem.

These figures and observations throw into relief the alarm that was expressed by trademark owners when ICANN decided to launch its unprecedented expansion of the gTLD system, and at least partially explain the many attempts that were made to either halt or delay the launch of the new gTLD program. In evaluating the reasons for these actions and the nature of the new rights protection mechanisms that were ultimately devised, however, it may be useful to remember that despite the explosive growth in domain name registrations (particularly in *.com*) over the past decade, the increase in the number of UDRP complaints filed in the same period does not appear to have been as great.

B Existing Trademark Concerns and the New gTLD Program

Even prior to the GNSO's formal recommendation to proceed with what would become the new gTLD program, it was clear that a primary concern for trademark owners was the need for defensive registrations across multiple TLDs, a problem that would be magnified with the introduction of more TLDs, especially unsponsored or unrestricted TLDs that are not limited to particular sectors, uses or communities.⁷⁶ In its report on intellectual property considerations in new gTLDs in 2005,⁷⁷ WIPO stated that there would be a greater need for so-called 'preventive mechanisms', as opposed to 'curative' measures such as the UDRP, in new

74 World Intellectual Property Organization, *Total Number of Domain Names by Year* (2012) WIPO Arbitration and Mediation Center <<http://www.wipo.int/amc/en/domains/statistics/domains.jsp>>.

75 National Arbitration Forum, 'National Arbitration Forum Reports a 24 Percent Increase in Domain Name Dispute Filings in 2010' (Press Release, 7 April 2011) <<http://domains.adrforum.com/newsroom.aspx?itemID=1636>>.

76 In a report published in 2005, WIPO had noted that 41 per cent of domain names in the then new gTLDs had been registered for defensive purposes, 40 per cent were not in use at all and 22 per cent were used for a web site that merely redirected to another TLD; in addition, 80 per cent of all registrants held domain name registrations in other gTLDs: Arbitration and Mediation Center, World Intellectual Property Organization, 'New Generic Top-Level Domains: Intellectual Property Considerations' (Report, World Intellectual Property Organization, 2005) 24 <<http://www.wipo.int/amc/en/domains/reports/newgtld-ip/index.html>>.

77 Ibid 116.

gTLDs that are unsponsored and unrestricted, or that have minimal or nominal restrictions, or that are limited geographically rather than by subject matter.

WIPO recommended that ICANN develop uniform preventive mechanisms that would apply across all gTLDs, and identified a number of possibilities, varying from the availability of sunrise registrations and watch services to notify rights-holders to defensive registration mechanisms and exclusion rules limiting registrations to certain marks and rights. A similar view was subsequently reflected in multiple comments submitted to ICANN by the IPC in relation to the new gTLD program.⁷⁸ Specific iterations of these suggestions were ultimately proposed by the Implementation Recommendations Team of intellectual property experts ('IRT') that was formed following a formal resolution adopted by the ICANN Board in March 2009.

Both the formation as well as the final report of the IRT caused considerable controversy within the ICANN community.⁷⁹ In hindsight, the Board may have committed a strategic error in tasking the IPC with forming the Team, instead of placing the task in the hands of the GNSO, which might through its multi-constituency structure have achieved a broader diversity of representation. That said, it is possible that the Board considered it impractical to place the burden of crafting workable solutions for trademark protection in an untested legal and technical environment such as the new gTLD program on volunteers, whose expertise, interests and biases could not easily be controlled or managed.⁸⁰

In addition, the political realities of lobbying within ICANN mirror those in many inter- and multi-government organisations, with the difference being that in ICANN, lobbying and influence is not the sole province of official government representatives, thus contributing to the often-contentious discourse and consequent delay of important initiatives at ICANN. The ICANN Board obviously felt some pressure to alleviate trademark concerns, and it was becoming clear that without some resolution to these issues the launch of the new gTLD program would be threatened or delayed.

In February 2009, ICANN staff's analysis of the 300 public comments it had received about the first version of its Draft Applicant Guidebook noted that the four overarching issues would require further discussion and examination. In that context, ICANN staff stated that the original timeline that had anticipated a launch of the program in September 2009 was 'under reconsideration' and that it was unlikely that the application window would open before December 2009.⁸¹

78 IPC, *IPC Position Papers*, above n 40.

79 See, eg, Berkman Center for Internet and Society, 'Accountability and Transparency at ICANN: An Independent Review — Appendix C: Introduction of New gTLDs' (Final Report, Harvard Law School, 20 October 2010) 15–18 <http://cyber.law.harvard.edu/pubrelease/icann/pdfs/AppendixC_gTLDs.pdf>.

80 The GNSO's policy work is accomplished largely through a number and variety of working groups and drafting teams comprising unpaid volunteers from each of its constituencies and stakeholder groups, with resource and research support from ICANN staff. While most volunteers are experienced people with considerable background and expertise, this cannot always be guaranteed or expected.

81 ICANN, 'New gTLD Applicant Guidebook: Analysis of Public Comment' (Guidebook, 18 February 2009) 6 <<http://www.icann.org/en/topics/new-gtlds/agv1-analysis-public-comments-18feb09-en.pdf>>.

Further delays would plague the program from then on, due in part to a lack of resolution of the overarching issues, but also due to the relatively late direct involvement of governments through the GAC, which among other concerns took up the trademark battle in 2010.

It is tempting to conclude that the trademark issues might have been taken ‘off the table’ had the IRT’s recommendations been accepted in full, since the assembled Team had the blessing of the IPC and thus had a champion who could ‘sell’ its proposals to its influential members and other trademark interests. The IRT had intended its recommendations to be considered and adopted as a ‘tapestry’ of solutions, such that while a specific rights-protection mechanism might seem relatively weak from the perspective of trademark owners, overall protection would be reasonably strong if all the proposals were implemented.⁸²

The IRT’s main proposals were: (1) an *IP Clearinghouse* that would function as a central repository of authenticated trademark registration data submitted by rights-holders based on information from national and regional trademark offices; (2) a *Globally Protected Marks List* (‘GPML’) comprising marks that are protected in a large number of jurisdictions and against which top-level applications would be matched for identity (ie an exact match) or confusing similarity, and second-level registrations for identity; (3) a *Uniform Rapid Suspension* system (‘URS’) under which clear and convincing cases of cybersquatting at the second level would result in the domain name being locked; (4) a *Post-Delegation Dispute Resolution* mechanism (‘PDDRP’), and (5) a number of specific rights-protection mechanisms, such as an *IP Claims Service* for marks lodged in the Clearinghouse and mandatory sunrise registration procedures.⁸³

The IRT’s recommendations pleased neither the more aggressive trademark owners nor those concerned about over-protection of trademark rights, particularly at the expense of fair use and free expression. Numerous public comments were submitted,⁸⁴ and the ICANN staff revised a number of the IRT recommendations in the next iteration of the Draft Applicant Guidebook, published on 4 October 2009.⁸⁵ While many except the most trenchant of trademark owners seemed to support the IRT’s recommendations, the changes made to them by ICANN staff in the third version of the Draft Applicant Guidebook (‘DAGv3’) met with a loud

82 Interestingly, a number of trademark owners seem to be attempting to revive some of the IRT’s recommendations: see, eg, comments filed on 27 February 2012 by the American Intellectual Property Law Association (‘AIPALA’) to ICANN in response to ICANN’s 6 February 2012 request for public comments regarding the need to file defensive registrations, and citing the IRT’s GPML recommendation; similar references were made by the IPC and INTA’s Internet Committee in their comments, filed the same day and responding to the same request: *Newgtlds-defensive-applications* (21 March 2012), ICANN Email Archives <<http://forum.icann.org/lists/newgtlds-defensive-applications/>>.

83 Implementation Recommendation Team, ‘Final Report on Trademark Protection in New gTLDs’ (Final Report, 29 May 2009) 5 <<http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>>.

84 For public comments submitted see ICANN, ‘IRT Final Report’ (Final Report, 26 March 2012) <<http://forum.icann.org/lists/irt-final-report/>>.

85 For a summary of the differences between the IRT’s recommendations and the ICANN staff version, see ICANN, ‘Summary of Differences between IRT Recommendations and Applicant Guidebook v3’ (Draft Guidebook, 20 October 2009) <<http://www.icann.org/en/topics/new-gtlds/draft-summary-changes-irt-proposals-20oct09-en.pdf>>.

outcry from some of the most influential members and representatives of the trademark community, especially as the GPML had completely disappeared as a recommended protection mechanism.

INTA had initially supported the IRT recommendations, and it believed that ICANN staff had 'apparently rejected' all of them. While withholding specific comments on the staff proposals, INTA warned that additional solutions would be necessary, particularly given what it considered to be inadequate trademark safeguards within the proposed system.⁸⁶ As late as March 2011, the influential Intellectual Property Owners Association ('IPO') commented that the 2009 staff recommendations 'bear little resemblance' to the IRT proposals, and complained that its suggestions had been 'outright ignored', pointing to a 'startling lack of transparency' in ICANN's handling of the new gTLD implementation process.⁸⁷

In the face of the outcry generated by the post-IRT developments, the ICANN Board directed the GNSO to review the staff-revised trademark protection proposals contained in DAGv3.⁸⁸ The resulting Special Trademark Issues review team ('STI') that was formed by the GNSO contained representatives from various constituencies and groups within the GNSO, including a number outside the IPC who were not practising trademark attorneys. The group proposed a number of substantive and procedural modifications to the staff recommendations, but they were not universally accepted by the trademark community.⁸⁹

INTA, for example, thought that while the STI recommendations were an improvement over the staff proposals, they still did not go far enough to protect trademark owners.⁹⁰ Suggestions were made both informally and on the public record that the Team should be reconvened.⁹¹ These developments indicated

86 Email from Alan C Drewson, Executive Director, INTA, to Peter Dengate Thrush, Chairman, ICANN and Rod Beckstrom, CEO, ICANN, 20 November 2009 <<http://www.inta.org/Advocacy/Documents/November202009Thrush.pdf>>.

87 Intellectual Property Owners Association, 'International Property Owners Association: Appendix' (Public Comment, 2011) <http://www.bakerlaw.com/files/Uploads/Documents/News/Articles/INTELLECTUAL%20PROPERTY/2011/IPO_Comments_Einhorn-3-2011.pdf>. Interestingly, the IPO chose to send its comments directly to the National Telecommunications and Information Administration ('NTIA'), which oversees transition to ICANN of the technical coordination functions for the DNS on behalf of the US Government, instead of to ICANN.

88 Letter from Peter Dengate Thrush, Chairman and Rod Beckstrom, CEO of ICANN, to the GNSO Council, 12 October 2009 <<http://gns0.icann.org/correspondence/beckstrom-to-gns0-council-12oct09-en.pdf>>.

89 See Special Trademark Issues Review Team, 'Recommendations' (Recommendations, 10 January 2010). See also ICANN's summary and analysis of the public comments submitted in response: ICANN, 'Special Trademark Issues Report: Public Comments Summary and Analysis' (Special Report, 15 February 2010) <<http://www.icann.org/en/topics/new-gtlds/summary-analysis-special-trademarks-issues-report-15feb10-en.pdf>>.

90 INTA, 'Comments of the International Trademark Association on the Special Trademark Issues Review Team Recommendations' (Public Comment, 26 January 2010) 1–2 <<http://www.inta.org/Advocacy/Documents/INTA%20Comments%20on%20STI%20Recommendations.pdf>>.

91 See, eg, the joint letter from the European Communities Trademark Association ('ECTA') and the Association of European Trademark Owners ('MARQUES') to the Chairs of the ICANN Board and the GAC: Letter from Andrew Mills, Chair, ECTA Internet Committee, and Caroline Perriard & Nick Wood, Chair & Vice-Chair, Association of European Trademark Owners CyberSpace Team, to Peter Dengate Thrush, Chair, ICANN and Heather Dryden, Chair, GAC, 11 March 2011 <http://www.ecta.org/IMG/pdf/marques-ecta_comments_to_icann_and_gac_11_march_2011_final-2.pdf>.

that while many trademark owners would have accepted the IRT's tapestry of recommendations, most felt that the changes made by ICANN staff and the STI diluted the protections they would otherwise have obtained. A new and complicating factor then arose — the GAC chose this period to forcefully enter the conversation. Much of what would occur during the two years following DAGv3 can be seen as a battle of influence within ICANN and a test of the ICANN Board's ability to navigate difficult political waters.

C The Congruence of Government and Trademark Interests

Even as the GNSO was commencing its deliberations over whether or not to introduce new gTLDs in 2007, the GAC had also begun its own discussions over government concerns with a possible introduction of new gTLDs. As early as March 2007, the GAC had published a set of public policy principles intended to guide the ICANN Board in its decision-making process. The 'GAC Principles Regarding New gTLDs' included, in principle 2.3, a recommendation that '[t]he 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'.⁹² Principle 2.4 further stated that '[i]n the interests of consumer confidence and security, new gTLDs should not be confusingly similar to existing TLDs'.⁹³

In relation to trademarks, the GAC has continually emphasised the need to reduce defensive registrations and ensure effective protection for intellectual property rights.⁹⁴ The level of GAC activity regarding the new gTLD program stepped up considerably in late 2010, as evidenced by the fact that all official letters to and from the GAC and the ICANN Board between June 2010 and April 2011 concerned the new gTLD program.⁹⁵

In addition, the GAC produced another seven official documents regarding the program that signalled continuing GAC dissatisfaction with ICANN's handling of the new gTLD implementation, including a GAC 'scorecard' on the new gTLD implementation process covering the four overarching issues.⁹⁶ On trademark protection, the GAC recommendations exceeded even what the IRT had originally proposed, including suggestions that all nationally recognised intellectual property rights (and not just trademarks) be included in the Trademark Clearinghouse,⁹⁷ that all registry operators be mandated to provide both sunrise

92 GAC, 'GAC Principles Regarding New gTLDs', (Public Document, Governmental Advisory Committee, 28 March 2007) principle 2.3 <<http://archive.icann.org/en/topics/new-gtlds/gac-principles-regarding-new-gtlds-28mar07-en.pdf>> (emphasis added).

93 Ibid principle 2.4.

94 See, eg, GAC communiqués from each of the four ICANN meetings that took place between March 2009–2010: GAC, *GAC Recent Meetings* (March 2012) <<https://gacweb.icann.org/display/gacweb/GAC+Recent+Meetings>>.

95 ICANN, *Correspondence Archive* (2012) <<http://www.icann.org/en/news/correspondence/archive>>.

96 See the documents submitted by GAC to the ICANN board: GAC, *New gTLDs* (September 2011) <<https://gacweb.icann.org/display/gacweb/New+gTLDs>>.

97 Renamed since DAGv3 from the term 'IP Clearinghouse' as had been used by the IRT.

registration and IP Claims services (rather than options), and that the 'identical match' test recommended by ICANN for these services be broadened to include an identical match to the mark plus keywords associated with the relevant goods or services.⁹⁸

As the ICANN bylaws prescribe the means by which the ICANN Board has to respond to GAC advice, the ICANN Board and the GAC agreed to meet in person in early 2011 to discuss their points of difference and determine mutually acceptable solutions. Two such meetings took place, including one outside the usual schedule of ICANN meetings. It is noteworthy that, after these meetings, the remaining points of difference seemed to concern primarily trademark protections, with the GAC in disagreement with the Board's decision not to expand some of the prescribed rights protection mechanisms (then published in version five, which ICANN had perhaps over-optimistically labelled the Proposed Final Applicant Guidebook) in line with the GAC's preferences.⁹⁹

By now the timeline for the launch of the new gTLD program had been pushed back considerably,¹⁰⁰ and ICANN's March 2011 meeting ended with the ICANN Board approving a new timeline of mid-April for a final response to the GAC scorecard, with a view toward final approval of the new gTLD program at the next ICANN meeting in June 2011.¹⁰¹ The GAC, however, was not yet done.

In May 2011, the GAC made public its support for requests that had been made to ICANN by the International Olympics Committee ('IOC') and the International Red Cross Movement, to reserve key words directly associated with them such that those words would be unavailable as new gTLDs upon launch of the program.¹⁰² In its June 2011 resolution formally approving the launch of the new gTLD program, the ICANN Board expressly directed ICANN staff to amend the Draft Applicant Guidebook to '[incorporate] text concerning protection for specific requested Red Cross and IOC names for the top level only during the initial application round, until the GNSO and GAC develop policy advice based on

98 GAC Indicative Scorecard on Outstanding Issues in the New gTLD Program listed in: GAC, 'GAC Communiqué — Cartagena' (Communiqué, 23 February 2011) 4 <https://gacweb.icann.org/download/attachments/1540144/GAC_39_Cartagena_Communique.pdf?version=1&modificationDate=1312225168000>.

99 GAC, *Remaining Points of Difference Between the ICANN Board and the Governmental Advisory Committee on New gTLD Rights Protection Mechanisms* (19 April 2011) <https://gacweb.icann.org/download/attachments/1540128/20110419-GAC_comments_on_NewgTLD_Rights_Protection.pdf?version=1&modificationDate=1312359272000>.

100 To be clear, it was not just trademark issues that delayed the program. Although outside the scope of this article, numerous other issues arose that required extensive community discussion and further work, including the question of vertical integration as between registries and registrars in the new program.

101 ICANN Board Resolutions 2011.03.18.15, 2011.03.18.16 and 2011.03.18.17: ICANN, 'Adopted Board Resolutions: Silicon Valley San Francisco' (Board Resolutions, 18 March 2011) <<http://www.icann.org/en/minutes/resolutions-18mar11-en.htm#3>>.

102 See Letter from Heather Dryden, Chair, GAC to Peter Dengate Thrush, Chairman, ICANN, 12 May 2011 <<https://gacweb.icann.org/download/attachments/1540128/20110512-GAC+Statement+on+IOC+and+Red+Cross+Movement.pdf?version=2&modificationDate=1312555813000>>; Letter from Heather Dryden, Chair, GAC, to Peter Dengate Thrush, Chairman, ICANN, 18 June 2011 <<https://gacweb.icann.org/download/attachments/1540128/GAC+communication+on+new+gTLDs+and+Applicant+Guidebook-+20110618.pdf?version=2&modificationDate=1312364027000>>.

the global public interest.¹⁰³ A new trademark-related protection mechanism was thus introduced at virtually the last minute to the new gTLD program, although the Board's language limited protection only to the top-level (ie the gTLD itself and not second level registrations within gTLDs) and for the duration only of the initial round of new gTLD applications.

The formal request that the GAC sent to the GNSO in September 2011 may change that situation, and potentially signal a movement toward ad-hoc requests for heightened trademark protection by entities that consider their marks as worthy of protection as those associated with the IOC and the Red Cross. In its letter, the GAC proposed protecting a list of names directly associated with the IOC and the Red Cross not just at the top level (as the Board had already directed) but also at the second level,¹⁰⁴ and sought the GNSO's response. As of this writing, the GNSO has convened a discussion group consisting of Council members and volunteer representatives from various GNSO constituencies to formulate a response to the GAC.

In the meantime, and despite the GAC's assurance in its September 2011 letter to the GNSO that it was not intending to seek similar protections for other organisations, a number of intergovernmental organisations have since written formally to ICANN to request similar reservations for their names and acronyms during the first round of applications in the new gTLD program. Unlike the current proposal contained in the most recent version of ICANN's Applicant Guidebook relating to the IOC and Red Cross, however, the IGOs are requesting exclusions at both the top and second levels.¹⁰⁵ It is not currently clear what action, if any, ICANN might take in response to this request.

The active involvement of governments via the GAC in specific aspects of the new gTLD program, in particular as regards the appropriate scope of and mechanisms for protecting trademarks, has added strength to private trademark owners' calls for greater protections. It is particularly troubling that the government representatives most involved in this effort seem to believe that their advocacy of stronger trademark protections is within their role as representatives of the broader public interest.¹⁰⁶ None of the GAC documents specifically address questions of free speech that over-broad protection of private intellectual property interests

103 ICANN Board Resolution 2011.06.20.01: ICANN (Board Resolutions, 20 June 2011) <<http://www.icann.org/en/minutes/resolutions-20jun11-en.htm>>.

104 Letter from Heather Dryden, Chair, GAC to Stephane van Gelder, Chairman, Generic Names Supporting Organisation, 19 September 2011 <<https://gacweb.icann.org/download/attachments/1540128/GAC+advice+on+IOC+and+Red+Cross+Sep.+2011.pdf?version=1&modificationDate=1317031625000>>.

105 Letter from legal counsel of various IGOs to Rod Berkstrom, CEO and Steve Crocker, Chairman, Board of Directors and Kurt Pritz, Senior Vice President, of ICANN, 4 January 2012 <<http://www.icann.org/en/correspondence/igo-counsels-to-beckstrom-crocker-pritz-04jan12-en.pdf>>.

106 It is important to note that GAC consensus does not mean universal agreement or even a majority position among GAC members. In its communiqué issued at the October 2011 ICANN meeting, the GAC proposed a revised rule for consensus, based on United Nations practice, that would mean general agreement in the absence of any formal objection. In other words, GAC consensus simply means that no government has objected to a particular proposal or issue: see GAC, 'GAC Communiqué — Dakar' (Communiqué, 27 October 2011) annex II <<https://gacweb.icann.org/download/attachments/4816912/Communique+Dakar+-+27+October+2011.pdf?version=1&modificationDate=1319796551000>>.

might raise, a glaring omission that can perhaps be at least partially explained through the access that influential rights-holders seem to have to government policymakers.¹⁰⁷

Interestingly, the testimony of the National Telecommunications and Information Administration ('NTIA') at some of these hearings seems to indicate US Government acceptance that no further major intervention in the new gTLD program will be necessary. Speaking at the House and Senate hearings in December 2011, NTIA Associate Administrator Fiona Alexander noted that:

NTIA believes that ICANN improved the new gTLD program by incorporating a significant number of proposals from the GAC. ICANN's new gTLD program also now provides law enforcement and consumer protection authorities with significantly more tools than those available in existing gTLDs to address malicious conduct. The fact that not all of the GAC's proposals were adopted as originally offered does not represent a failure of the process or a setback to governments; rather, it reflects the reality of a multi-stakeholder model.¹⁰⁸

NTIA's support of the bottom-up, multi-stakeholder model for policy and decision-making at ICANN was made clear by Assistant Secretary of Commerce for Communications and Information, Lawrence Strickling, in a keynote speech delivered on the same day as the Senate hearing at the 29th Practising Law Institute Conference on Telecommunications Policy and Regulation. In urging support for such a governance model in the context of the new gTLD program, he mentioned that:

[W]e are now seeing parties that did not like the outcome of [ICANN's] multistakeholder process trying to collaterally attack the outcome and seek unilateral action by the US government to overturn or delay the product of a six-year multistakeholder process that engaged folks from all over the world. The multistakeholder process does not guarantee that everyone will be satisfied with the outcome. But it is critical to preserving the model of Internet governance that has been so successful to date that all parties respect and work through the process and accept the outcome once a decision is reached. When parties ask us to overturn the outcomes of these processes, no matter how well-intentioned the request, they are providing 'ammunition' to other countries who attempt to justify their

107 This can be further evidenced by examining recent US Congressional hearings on the new gTLD program, such as the one held by the House of Representatives' Subcommittee on Intellectual Property, Competition and the Internet on 4 May 2011, another by its Subcommittee on Communications and Technology on 14 December 2011, and a third by the Senate's Committee on Commerce, Science and Transportation on 8 December 2011. A glance at the witness lists for these hearings easily reveals a significant number of pro-trademark representatives: see US House of Representatives Committee on the Judiciary, *Hearing Information* (2011) <http://judiciary.house.gov/hearings/hear_05022011.html>; US House of Representatives Committee on the Judiciary, *Hearing Information* (14 December 2011) <<http://energycommerce.house.gov/hearings/hearingdetail.aspx?NewsID=9134>>.

108 Fiona M Alexander, Testimony before the Committee on Energy and Commerce, Subcommittee on Communications and Technology at the hearing on ICANN's Top Level Domain Name Program (US House of Representatives, 14 December 2011) <<http://www.ntia.doc.gov/speechtestimony/2011/testimony-associate-administrator-alexander-icann-s-top-level-domain-name-progr>>.

unilateral actions to deny their citizens the free flow of information on the Internet. This we will not do.¹⁰⁹

It makes sense that the US Government would be particularly sensitive to any action that could jeopardise ICANN's status as the main body charged with coordinating and managing such an important global resource as the internet DNS. Recent events indicate a growing interest on the parts of other countries to have a non-US entity perform such a critical function, and proposals have ranged from creating a new global body for internet governance to an International Code of Conduct for Information Security. Most proposals emanate from, and seem to be aimed at, strengthening the role of governments in global internet regulation.¹¹⁰

V TRADEMARK PROTECTION IN THE FINALISED RECOMMENDATIONS

In addition to the specific rights-protection mechanisms based on and developed from the recommendations made by the IRT and STI as well as community feedback on the various iterations of the Applicant Guidebook, there are two main ways in which trademark owners, who may not themselves have applied for a particular new gTLD, can participate in the application process in order to protect their marks. The first relates to a mechanism that the final Applicant Guidebook ('AGB') reserves to the GAC,¹¹¹ while the second allows rights-holders to file a dispute should it believe that a new gTLD application violates its existing legal rights.

A The GAC Early Warning System and GAC Advice

The new gTLD application period was launched on 12 January 2012 and will remain open until 12 April 2012. Within two weeks of the closing date, ICANN will post public portions of all applications received on its website, thereby revealing how many applications there are, what proposed new gTLDs (referred to as 'strings' in the AGB) there are, and how many of them are the so-called 'dotbrands', ie trademarks. Publication will trigger a 60-day public comment period, during which members of the general public will be able to submit comments about a specific application, including whether or not it fulfills the relevant eligibility criteria.

These comments will inform the initial evaluation that will be performed on each application, and as such can be of fundamental importance to rights-holders watching for cybersquatting or other incursions on their rights. It is important

109 Lawrence Strickling (Speech delivered at the 29th Annual Telecommunications Policy and Regulation Conference, Washington DC, 8 December 2011) <<http://www.ntia.doc.gov/speechtestimony/2011/remarks-assistant-secretary-strickling-practising-law-institutes-29th-annual-te>>.

110 See, eg, 'Who Should Run the Internet? A Plaything of Powerful Nations' (2011) 401(8753) *The Economist* 64.

111 As of 11 January 2012.

to note that public comments are not the same as, and do not preclude, filing a formal dispute under the various dispute resolution processes available under the new gTLD program. It is important also to note that one criterion that would disqualify a proposed string is if the applicant is shown to have a history of cybersquatting.¹¹² Public comments received after the 60-day period will not be used in evaluating an application, but will be available for reference for other purposes, such as dispute resolution.

The GAC Early Warning system runs concurrently with the 60-day public comment period. This was inserted into the AGB as one of the agreed outcomes of the Board-GAC consultations about the new gTLD program, and allows any single member of the GAC to flag an application that raises a public interest concern 'for any reason', including culturally sensitive strings and 'those that describe or are targeted to a population or industry that is vulnerable to online fraud or abuse',¹¹³ a prime example of which must necessarily be trademarks. GAC consensus is not required for a GAC Early Warning to be issued in the form of a written communication to the Board.

In addition to an Early Warning, the GAC may also provide formal advice to the ICANN Board about particular applications.¹¹⁴ This can relate to applications that the GAC believes violate national law (again, this will include trademarks), and is not restricted to any of the grounds upon which a dispute can be formally filed. GAC advice can be provided at any time during the seven month dispute resolution period, and depending on the form of the advice may or may not create a presumption in favour of rejection of the application.

Given the sympathy that the GAC has displayed toward the need for effective protection of trademark rights in new gTLDs, it is likely that trademark owners will, in addition to relying on the dispute resolution procedures and various specific rights-protection mechanisms offered by each gTLD registry, request their country governments or the GAC to intervene through either the GAC Early Warning system or by issuing formal advice to the ICANN Board. While it should not be assumed that individual governments or the GAC will automatically accede to such requests, it is at least plausible that requests based on clearly delineated and recognised rights will be received sympathetically.

B The Formal Dispute Resolution Processes

There are four grounds upon which a dispute over a proposed string can be filed by a third party: (1) string confusion (ie confusing similarity between the applied-for string and either an existing TLD or another application); (2) legal rights (ie the applied-for string infringes the existing legal rights of the objector);

112 The AGB is a huge and complex document, running to well over 300 pages. It is divided into chapter-like modules, each dealing with a particular aspect of the application process, and accompanied by a number of supporting documents and supplemental rules, eg for dispute resolution. The full AGB can be viewed at and downloaded from <<http://newgtlds.icann.org/en/applicants/agb>>.

113 ICANN, *Applicant Guidebook* (11 January 2012) Module 1 [1.1.2.4.] <<http://newgtlds.icann.org/en/applicants/agb>> ('AGB').

114 *Ibid* Module 1 [1.1.2.7], Module 3 [3.1].

(3) limited public interest grounds (ie the applied-for string contravenes generally accepted legal norms relating to morality and public order that are recognised under public international law principles); and (4) community objections (ie the applied-for string is opposed by a substantial portion of the community to which it is explicitly or implicitly targeted).¹¹⁵ Each of the four grounds has different standing requirements and processes, and each is administered by a specific dispute resolution service provider ('DRSP').¹¹⁶ The period for dispute resolution opens upon ICANN's publication of the applications received, and is expected to run for seven months.¹¹⁷

Clearly the most important ground for objection for trademark owners is an objection based on existing legal rights. The substantive basis for finding in favour of a legal rights objection is that the applied-for string:

takes unfair advantage of the distinctive character or the reputation of the objector's registered or unregistered trademark or service mark ... or unjustifiably impairs the distinctive character or the reputation of the objector's mark ... or otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the objector's mark ...¹¹⁸

Where trademark rights are concerned, the AGB includes a list of a number of non-exhaustive factors that will be familiar to anyone who has dealt with a case of trademark infringement. Given that they will be critical to a finding one way or the other, the list is worth reproducing in full:

1. Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector's existing mark.
2. Whether the objector's acquisition and use of rights in the mark has been bona fide.
3. Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the objector, of the applicant or of a third party.
4. Applicant's intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector's mark, or could not have reasonably been unaware of that mark, and including whether the applicant has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.
5. Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a bona fide offering of goods or services or

115 Ibid Module 3 [3.2.1].

116 See generally ibid Module 3.

117 Ibid Module 1 [1.2.2.6.].

118 Ibid Module 3 [3.5.2.].

a bona fide provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights.

6. Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been bona fide, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use.
7. Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and bona fide.
8. Whether the applicant's intended use of the gTLD would create a likelihood of confusion with the objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.¹¹⁹

WIPO has published a full set of Rules that will govern disputes about legal rights objections,¹²⁰ fees for which are expected to range upwards of US\$8000 for a single panellist hearing a single objection to a single string, to US\$20 000 for a three-person panel.¹²¹

Since the dispute resolution period runs concurrently with the 60-day public comment period, even trademark owners who do not plan to apply for their own gTLD must still monitor the ICANN process. What is noteworthy about these various mechanisms is that they do not limit trademark owners' options to object only on the basis of trademark infringement. If, for example, a competitor or cybersquatter seeks to apply for a string that violates particular national laws (even if those are not trademark laws), or files an inaccurate application, a public comment can be filed or the GAC notified.

The new gTLD program therefore includes an array of methods by which trademark owners can not only protect their marks against incursion at the top level without necessarily having to apply for a gTLD themselves, it also enables them to indicate when they believe there is something wrong about a gTLD application. There does not seem to be any sanction for trademark owners — or, indeed, anyone else — who abuse the public comment system. However, whether or not such a system will in fact be abused will depend on the qualifications and evaluation methods employed by those handling the evaluation of the applications, although the AGB does not clarify who the evaluators will be or their expertise.

119 Ibid.

120 World Intellectual Property Organization, *WIPO Rules for New gTLD Dispute Resolution* (11 January 2012) ICANN <<http://newgtlds.icann.org/en/applicants/agn/wipo-rules-11jan12-en.pdf>>.

121 World Intellectual Property Organization, *WIPO Schedule of Fees and Costs* (11 January 2012) ICANN <<http://newgtlds.icann.org/en/applicants/agn/wipo-fees-11jan12-en.pdf>>.

C Second-Level Rights Protection Mechanisms

In addition to ensuring that new gTLDs do not intrude upon their trademark rights at the top level, trademark owners will naturally also seek protection at the second level. Given the costs associated with applying for and operating a new gTLD, it is likely that the real trademark issues will arise not with cybersquatting or infringement at the top level, but at the second level, which as current industry practice shows, can be extremely cheap. A second level domain name registrant will not incur any of the overheads, costs, technical requirements and other risks associated with actually running a gTLD registry. Instead, all that is needed is for the registrant to simply pay the requisite fee to a registrar offering domain registrations in a gTLD in which the registrant is interested. If cybersquatting is already a huge problem for trademark owners in the current universe of limited gTLDs, it will be magnified many times in a scenario with hundreds or more new gTLDs coming on stream. In this regard, the various rights-protection mechanisms ('RPMs') that are being proposed to deal with second level cybersquatting can be of even greater significance to trademark owners than the protections available at the top level.

1 The Trademark Clearinghouse and Mandatory Pre-Launch Mechanisms

With some further refinement since its inception as the IP Clearinghouse in the IRT recommendations, the Trademark Clearinghouse is intended to be a central repository that will authenticate data deposited by trademark owners and function as a centralised point of contact for new gTLD registries in their implementation of sunrise registrations and trademark claims services. Word marks that can be included in the Clearinghouse include nationally or regionally registered marks, marks validated through judicial proceedings and marks protected by a statute or treaty in effect at the time the information is submitted into the Clearinghouse. In addition, 'other marks constituting intellectual property' can also be part of the Clearinghouse.¹²²

There is no indication as to how broadly this is to be interpreted, and it is somewhat worrying that whoever is selected by ICANN to act as the Clearinghouse provider will have the ability to determine what additional trademark-like information it might wish to include, perhaps as part of the 'ancillary services' it will be permitted to offer. However, as inclusion in the Clearinghouse is not intended to prove the validity of a mark, the largest risk of over-inclusion may well be privacy concerns on the parts of rights-holders. The Clearinghouse provider will hopefully have in place robust and enforceable policies against unwarranted disclosure and use of the Clearinghouse data.

The data contained in the Trademark Clearinghouse will enable new gTLD registries to offer what ICANN requires as minimum pre-launch protection mechanisms. Where sunrise registrations are concerned, they have been used

122 ICANN, *Trademark Clearinghouse* (4 June 2012), 4 [3.2.5] <<http://newgtlds.icann.org/en/applicants/agb/trademark-clearinghouse-04jun12-en.pdf>>.

in a number of other gTLD launches to date, most recently in the new .xxx gTLD.¹²³ Essentially, a sunrise process permits rights-holders to secure second level registrations in a new gTLD before it is open for application by the public, including — depending on the gTLD in question — members of the community that the gTLD is targeted at (for sponsored gTLDs). A sunrise registration is therefore an important preventive tool for trademark owners, but a large number of new gTLDs will likely also mean increased expense for sunrise registrations.

The second minimum mandatory pre-launch mechanism is a Trademark Claims service, which is intended as a form of notice to would-be registrants of a second level domain name that is an 'Identical Match' to a mark in the Clearinghouse.¹²⁴ This is so as to reduce any chilling effect that might occur in the absence of a system that first notifies would-be registrants of potential risks. A registrant who receives a Trademark Claims Notice but who wishes nevertheless to proceed will be required to warrant that the registration, to the best of their knowledge, will not be infringing a trademark.

A critical difference in treatment between marks on which a Trademark Claims Notice is based and marks that are registered in a sunrise phase is the requirement that, for the latter, there is a use requirement.¹²⁵ The addition of a use requirement (absent from the original IRT recommendations) in later versions of the AGB was the subject of much heated debate between trademark owners, the GAC and ICANN, which justified its insertion on the basis of viewing sunrise registrations as an 'extraordinary exclusion ability' and the need to minimise gaming of the process.¹²⁶ The most recent description by ICANN of the requirement clarifies that use can be shown by way of a simple declaration and a single specimen of use, which is probably the only way ICANN can impose such a requirement without risking itself (or its contracted Clearinghouse provider) turning into an extra-legal determiner of a legal concept at the heart of trademark law. While having a use requirement obviously goes a long way toward alleviating concerns over possible abuse of the sunrise process by overly eager trademark owners, it is worth noting that the requirement could also have the effect of disqualifying rights-holders with just an 'intent to use' application from sunrise.

123 For an example of how a sunrise registration can be operated in different phases, see Jonathan Robinson, 'Taking Control: Safeguarding Brand Owners' Rights in .XXX' (Whitepaper, IP Rota Ltd, May 2011) <<http://www.iprota.com/wp-content/uploads/2011/05/IPRota-.XXX-Whitepaper.pdf>>.

124 An 'Identical Match' is defined to mean that the domain name 'consists of the complete and identical textual elements of the mark'. In this regard:

- (a) spaces contained within a mark that are either replaced by hyphens (and vice versa) or omitted;
- (b) only certain special characters contained within a trademark are spelled out with appropriate words describing it (@ and &);
- (c) punctuation or special characters contained within a mark that are unable to be used in a second-level domain name may either be (i) omitted or (ii) replaced by spaces, hyphens or underscores and still be considered identical matches; and
- (d) no plural and no 'marks contained' would qualify for inclusion.

ICANN, *Trademark Clearinghouse*, above n 122, 7 [6.1.5].

125 *Ibid* 7 [7].

126 See the ICANN document produced in response to the GAC's concern on this topic, ICANN, *Evidence of Use Requirement for Trademark Protections* (7 June 2011) ICANN Trademark Protection Evidence <<http://www.icann.org/en/topics/new-gtlds/trademark-protections-evidence-use-07jun11-en.pdf>>.

2 *The Uniform Rapid Suspension System*

In 2009, the IRT had come up with the concept of a rapid suspension service that would complement, rather than replace, the existing UDRP process. The Uniform Rapid Suspension system ('URS') is intended to be a very fast process to be used against second level registrations that a rights-holder can clearly show are unwarranted.¹²⁷ The substantive grounds on which such a finding can be made echo those found in the UDRP; the main, critical differences between the URS and the UDRP are that, first, the standard of proof is that of clear and convincing evidence (as opposed to a preponderance of the evidence or a balance of probabilities) and, secondly, a URS proceeding cannot result in an outright cancellation or transfer of a domain name. Rather, the domain name is placed into a suspension state for the remainder of its registration life.¹²⁸

The URS as it stands reflects lessons learned from a decade of the UDRP, particularly as regards available defences to, and various avenues of redress for, respondents. For example, in addition to the possible defences listed in the UDRP, the URS adds specific references to tribute or criticism sites,¹²⁹ and operating a 'pay per click' site or connecting a domain name to parking pages does not, per se, amount to bad faith.¹³⁰ Should there be a default decision rendered, a respondent still has the opportunity to apply for a de novo review within six months of the date of the notice of default,¹³¹ and either party has a right to appeal a determination within 14 days.¹³² The URS also incorporates specific provisions dealing with abusive complaints: if a party files two abusive complaints or one that is a 'deliberate material falsehood', it is barred from using the URS for a year.¹³³ Should there be two findings of deliberate material falsehoods, that party will be permanently barred from using the URS.

The URS would appear to be a true product of ICANN community consensus, reflecting as it does its genesis within the IRT, and refinements, changes and additions made following the STI recommendations, ICANN staff proposals and further community input through various public comment periods. On its face, it represents a relatively balanced effort to ensure that trademark owners have access to a fast, reasonably cheap,¹³⁴ and effective mechanism to attack clear-cut

127 For details about the URS and how it will work, see ICANN, *Uniform Rapid Suspension System* (11 January 2012) <<http://newgtlds.icann.org/en/applicants/agb/urs-11jan12-en.pdf>>.

128 In response to requests by the trademark community, the URS now includes a right for the winning complainant to extend the registration for a year at commercial rates: *ibid* [10.3].

129 *Ibid* [5.8.2].

130 *Ibid* [5.9.2].

131 *Ibid* [6.4].

132 *Ibid* [12.4].

133 Defined, respectively, *ibid* [11.3] and [11.4] as follows: a complaint may be deemed abusive if it was presented 'solely for [an] improper purpose such as to harass, cause unnecessary delay, or needlessly increase the cost of doing business; and (i) the claims or other assertions were not warranted by any existing law or the URS standards; or (ii) the factual contentions lacked any evidentiary support.' A complaint contains a deliberate material falsehood if it includes 'an assertion of fact, which at the time it was made, was made with the knowledge that it was false and which, if true, would have an impact on the outcome on the URS proceeding.'

134 The cost of a URS proceeding is estimated to be around US\$300: see *ibid* [2.1].

cases of cybersquatting while providing for adequate defences, appeal rights and abuse deterrence in order to protect legitimate registrants.

It will be interesting to see how well the URS works in practice, not only in terms of the extent to which trademark owners will use it but also in relation to its effect on the number of UDRP proceedings. There is a provision in the URS that mandates its review one year after the first determination issues — ICANN estimates that the first new gTLDs could be introduced as soon as the end of 2012 or in early 2013 (for straightforward applications) — but a complicated application, especially one involving a formal filing of a dispute, could take up to 20 months.¹³⁵ The earliest possible timeframe for initiating a review of the URS is therefore likely to be in 2014.

That review could be doubly interesting, as the GNSO Council recently voted in December 2011 to ask for an Issue Report on

the current state of all rights protection mechanisms implemented for both existing and new gTLDs, including but not limited to, the UDRP and URS, [to] be delivered to the GNSO Council by no later than eighteen (18) months following the delegation of the first new gTLD.¹³⁶

This means that the UDRP and the URS could be reviewed at the same time by the GNSO, resulting possibly in substantive changes to both. It also means that no changes, including procedural tweaks, are likely to be made to the UDRP prior to that time.¹³⁷

3 The Post-Delegation Dispute Resolution Procedure

In addition to the pre-launch mechanisms described above, a trademark holder can commence administrative proceedings against a new gTLD registry operator whose operation or use of the gTLD after it goes live constitutes trademark infringement under ICANN's Post-Delegation Dispute Resolution Procedure ('PDDRP'). Proceedings can be brought for infringement at both the top and second levels. Overall, the PDDRP seems to be a reasonably balanced process that while giving trademark owners additional protection also takes into consideration the need to safeguard good faith registrations. Because of the conceptual balance achieved, however, a question remains as to whether trademark holders will find the PDDRP effective to protect their marks.

135 See ICANN, *AGB*, above n 113, Module 1 [1.1.3].

136 GNSO, *GNSO Council Resolution 20111215-1* (2011) ICANN <<http://gns0.icann.org/resolutions/#201112>>. The question whether to review the UDRP prior to the first new gTLD going live was the subject of intense debate amongst the Council, and a competing motion to initiate a PDP on the UDRP independently of the URS and the new gTLD program had been defeated at the December council meeting. In February 2011, the Council had actually requested an Issue Report just on the UDRP. Prepared by ICANN staff, the report recommended that a PDP not be initiated at that time: see GNSO, 'Final Issue Report: The Current State of the UDRP' (Issue Report, 3 October 2011) <<http://gns0.icann.org/issues/udrp/udrp-final-issue-report-03oct11-en.pdf>>.

137 In the process of preparing the 2011 Issue Report, ICANN staff research had revealed that a number of rights-holders and providers would like to see at least some minor procedural changes to the UDRP: ICANN, 'Preliminary Issue Report on the Current State of the UDRP' (Report, 27 May 2011) s 6 and annex 2 <<http://gns0.icann.org/issues/prelim-report-current-state-udrp-27may11-en.pdf>>.

Under the PDDRP, clear and convincing evidence is required for both the top and second levels, and evidence has to relate to affirmative conduct on the part of the gTLD registry operator.¹³⁸ At the top level, complaints must relate to registry operators of gTLDs that are identical or confusingly similar to a complainant's word mark, and must demonstrate that the registry operator's conduct 'causes or materially contributes' to either taking unfair advantage or impairment of the mark or a likelihood of confusion with the mark¹³⁹ — in other words, the substantive standards are those that would have been applied to a legal rights objection lodged before the gTLD was approved. At the second level, the registry operator's conduct must amount to a 'substantial pattern or practice of specific bad faith intent by the registry operator to profit from the sale of trademark infringing domain names ...' and 'bad faith intent to profit from the systematic registration of domain names within the gTLD that are identical or confusingly similar to the complainant's mark'.¹⁴⁰

The PDDRP explicitly states that just because a registry contains infringing domain names, even if the registry operator is aware of the fact, it is not sufficient to render the registry operator liable. Nor is a registry operator expected to monitor the domain name registrations within its gTLD. In addition, the registry operator will not be liable under the PDDRP for a domain name registration that:

- (i) is registered by a person or entity that is unaffiliated with the registry operator; (ii) is registered without the direct or indirect encouragement, inducement, initiation or direction of any person or entity affiliated with the registry operator; and (iii) provides no direct or indirect benefit to the registry operator other than the typical registration fee (which may include other fees collected incidental to the registration process for value added services such as enhanced registration security).¹⁴¹

A complaint under the PDDRP is first subject to an administrative check, followed by a threshold review by a single panellist appointed by the PDDRP provider, prior to its proceeding on to a determination by an expert panel. The threshold review is intended to limit PDDRP proceedings to holders of valid word marks that are in current use, which would thus limit complainants to a subset of trademark owners similar to those eligible for sunrise registrations using the Trademark Clearinghouse; the PDDRP specifically permits reliance on specimens of use submitted to the Clearinghouse.¹⁴² The complaint must also be stated with sufficient factual specificity in order to proceed to the next stage.

Should the complaint proceed to final determination by an expert panel,¹⁴³ there is the possibility of discovery (at the panel's discretion) including, in 'extraordinary circumstances' the appointment of witnesses. A party may request a hearing, or the

138 ICANN, *AGB*, above n 113, Module 5: Trademark Post-Delegation Dispute Resolution Procedure.

139 Ibid [6.1].

140 Ibid [6.2].

141 Ibid [6.2].

142 Ibid [9].

143 There is an opportunity for the registry operator to file a response to the complaint, as well as an opportunity for the complainant to reply to the response, prior to the final determination: *ibid* [10]–[11]. All filings are done electronically and the PDDRP sets out specific timelines for each stage.

panel may order one at its discretion. One panellist is normally appointed, unless a party requests otherwise, in which case a three-person panel is constituted.¹⁴⁴

If trademark owners feel concerned at the limitations imposed by the PDDRP standing requirements or its substantive standards, they are likely to be as worried about the current remedies provided for under the PDDRP. As the respondent is the registry operator and not individual domain name registrants, there is no possibility of transfer, cancellation or suspension of infringing second level domain names. Nor are damages available. Instead, a 'variety of graduated enforcement tools' is recommended: these can include requiring the registry operator to apply remedial measures to safeguard against future infringing registrations or the suspension of further domain name registrations until the deficiency is cured.¹⁴⁵ Termination of the operator's Registry Agreement with ICANN is reserved only for 'extraordinary circumstances where the registry operator acted with malice ...'¹⁴⁶ As the PDDRP service provider will be a third party and not ICANN itself, it will fall to ICANN to implement the recommendations made by the expert panel. Although ICANN has the final discretion as to whether and how to act, it will follow the panel's recommendations except in 'extraordinary circumstances'.¹⁴⁷

Trademark owners, as can be expected, do not view the PDDRP as an adequately strong mechanism for rights protection. As early as April 2010, INTA's Internet Committee had signalled the trademark community's dissatisfaction with the PDDRP. Among its comments, it recommended a lowering of the burden of proof to a preponderance of the evidence (consistent with the standard required under ICANN's general Registry Agreements for non-compliance) and an extension of the second level infringement claims to more than a single mark in a single complaint. It also noted that the PDDRP would lead to an increase in uncertainty and costs for trademark owners, since (among other issues) a panel can order discovery on its own accord, and award costs (including attorney's fees) against a trademark owner which the panel determines filed a complaint without merit.¹⁴⁸ The final form of the PDDRP that ICANN ultimately adopted on 11 January 2012 remained largely unchanged in substance despite a number of requests received from various major trademark holders and, indeed, similar requests made by the GAC.¹⁴⁹

144 ICANN, *AGB*, above n 113, Module 5 [13], [15], [16].

145 *Ibid* [18.3.3].

146 See generally *ibid* Module 5 [18]; see especially [18.3.3].

147 *Ibid* [18.6].

148 See INTA, *Internet Committee Comments on Trademark PDDRP* (1 April 2010) ICANN <<http://forum.icann.org/lists/ppdrp-15feb10/pdf5tCLumPhVJ.pdf>>.

149 All public comments submitted in response to the 2010 draft of the PDDRP can be viewed at ICANN, *PPDRP Chronological Index* (15 February 2010) <<http://forum.icann.org/lists/ppdrp-15feb10/>>; ICANN, *Rationale: Remaining Areas of Difference between ICANN's Board and Governmental Advisory Committee Regarding Implementation of the New gTLD Program* (20 June 2011) <<http://www.icann.org/en/groups/board/documents/rationale-gac-response-new-gtld-final-20jun11-en>>.

VI OUTSTANDING LEGAL ISSUES

A Involving New gTLDs

1 Risks for Trademark Holders

ICANN's new gTLD process is likely to effectively protect trademark interests against bad-faith cybersquatting, but at a significant time and cost for both trademark holders and others. As noted previously, it is unlikely that cybersquatters will make applications to become registry operators for new gTLDs that correspond with existing trademarks. The costs of applying for these gTLDs as well as associated costs of establishing and maintaining a domain name registry would be prohibitive for most cybersquatters. Even if a cybersquatter did have the wherewithal to meet these administrative and cost hurdles, the various processes now in place for protecting trademarks through objections, notifications and dispute resolution processes would likely be insurmountable for those seeking to profit from staking an early claim to a string, to which another party had a strong legal claim by way of trademark interest.

However, the fact that cybersquatters will be deterred from applying for gTLDs that correspond with others' trademarks does not mean that trademark holders will be free from trouble. While trademarks are geographically based indicators that are limited to product and service markets for which they are registered, domain names are not so limited. Many different entities could legitimately claim interests in the same or a similar gTLD. While the application process does contain provisions for avoiding string confusion in these kinds of cases, the processes do little more than encourage individual claimants to work things out on their own,¹⁵⁰ although there are some new provisions for consolidating groups of objections involving the same domain name.¹⁵¹

This approach mirrors the approach taken for second level domains in the existing gTLD spaces. These domain names are allocated effectively on a first come, first serve basis, subject to the possibility of a UDRP complaint being brought against an applicant by a person who claims a superior interest in the name. Where both parties to a UDRP proceeding are legitimate trademark holders, it is likely that the registrant will retain rights to the name, subject to a private arrangement between the parties to either transfer or share the name.¹⁵² One of the authors of this article has suggested in the past that it might have served ICANN well to establish mechanisms to encourage domain name sharing arrangements in these kinds of situations,¹⁵³ arguing that such an approach could lead to more efficient use of the domain space. ICANN has not done this with respect to existing gTLDs. It has also not proposed anything in the new gTLD process along these

150 ICANN, *New gTLD Dispute Resolution Procedure, Attachment to Module 3 Guidebook* (May 2011) art 16(e) <<http://archive.icann.org/en/topics/new-gtlds/comments-7-en.htm>>.

151 *Ibid* art 12.

152 Lipton, *Internet Domain Names, Trademarks and Free Speech*, above n 1, 79.

153 *Ibid* 82–7.

lines other than encouraging parties to come to an agreement about the allocation of a new gTLD.

While it may not be within ICANN's purview to facilitate domain name sharing, and while first come, first serve may be the best solution in these kinds of situations, it would be useful as a policy matter to give further consideration to situations involving competing legitimate interests. If, in the end, the party with the deepest pockets will be entitled to the gTLD in question, at least certainty of outcome is achieved. However, this kind of result as a policy matter will mirror on the internet what happens in the bricks and mortar commercial world where parties with the deepest pockets generally have significant advantages in the marketplace. The internet has the potential to be a more level playing field for commercial parties if the guidelines are not skewed too far in favour of the trademark holder with the greatest commercial clout to secure a gTLD.

Another risk for trademark holders in the new gTLD space is the fact that the some classes of objections to registration of certain gTLDs may be difficult to predict. Within domestic trademark law, courts have historically dealt with cases where groups with particular interests in trademarked terms have objected to registration of those terms *as trademarks* on a variety of grounds. For example, trademark registrations have been challenged in domestic law because a particular trademarked term is claimed to be offensive or demeaning to a particular group of people.¹⁵⁴ There have also been concerns about trademarking geographical indicators.¹⁵⁵

The new domain name process effectively gives groups with objections to certain terms being trademarked a second bite at the cherry. Where a group may have failed to have a trademark removed from a domestic register under national trademark law, it may nevertheless be able to convince the GAC to launch an objection to registration of the trademark as a *new* gTLD. Alternatively a concerned group itself may be able to object to registration of the new gTLD based on the existing mark. How, and how quickly, these issues can be resolved might create a greater layer of uncertainty about the nature and extent of a domestic trademark holder's rights in cyberspace. Also it might ultimately have the effect of giving complainants additional grounds to raise objections as to the trademarkability of certain terms within domestic law. If, for example, a concerned group is able to convince a dispute resolution body to refuse to register a new gTLD based on an existing trademark, that group may subsequently try and use this fact as evidence to challenge the validity or registrability of the trademark within the relevant domestic legal system. While the practical likelihood of this is difficult to estimate, the substantive grounds for a legal rights objection include likelihood of confusion and impairment of distinctiveness or reputation. Additionally, relevant factors to be considered echo trademark infringement standards in a number of jurisdictions.¹⁵⁶ It is not beyond belief that trademark holders would at least

154 In the United States, see, eg, *Harjo v Pro-Football Inc*, 284 F Supp 96 (DC Cir 2003).

155 In the United States, see, eg, *Lanham Act*, 15 USC § 1052(e) (1946).

156 See ICANN, *AGB*, above n 113, Module 3 [3.5.2].

consider the possibility of using a successful legal rights objection against an applied-for gTLD in challenge or objection proceedings before particular national trademark registration offices.

One other obvious risk or cost of the new gTLD process for trademark holders is the need for either defensive registration of new gTLDs or defensive objections to registrations of new gTLDs that may infringe on their trademarks. The new gTLD program places the onus on trademark holders to monitor applications, file objections and otherwise be proactive in protecting their marks at both the top and second levels. While some trademark holders with the financial and technical wherewithal to manage a new gTLD registry will undoubtedly apply for gTLDs that correspond with their trademarks, others will not be in a position to do so. In these cases, those trademark holders will have to expend resources on ensuring that gTLDs that correspond with their marks are not registered to others who have no legitimate use for them other than extorting money from the markholders to register second level domains within the new gTLD space. This may be the new gTLD analog of good old-fashioned cybersquatting. Although it may be argued that this is unlikely to occur even in the absence of a legal rights objection by the relevant markholder,¹⁵⁷ trademark owners must still be watchful for opportunistic domainers who may view less fanciful and more generic (though possibly factually famous) trademarks as novel business opportunities if obtained and operated as a new gTLD. The risk is even greater at the second level, particularly within clearly generic gTLDs (such as *.shop* or *.shoe*).

Trademark owners have acknowledged that there may be strategic advantages to obtaining their own gTLD in this round of applications, not necessarily to immediately market that brand but either to prevent a competitor from obtaining it as a gTLD, or to stop an owner of a similar trademark in a different jurisdiction, or offering different goods or services, or possibly even to block a legitimate use of a mark by someone else (eg the Apple brand as between the well-known computer company and an apple growers' association, or Prudential UK as against Prudential USA for financial services, or United Airlines as against United Van Lines).¹⁵⁸ Although the full list of applicants will not be known until ICANN publishes it in May 2012, several corporations and brand owners have already announced their intention to apply for their own 'dotbrand' gTLD,¹⁵⁹ and industry

157 The new gTLD application process includes a number of checks that could mitigate this type of risk, for example, background checks are conducted on all applicants (who cannot be individuals) and applicants who have a record of cybersquatting (as demonstrated by a number of UDRP panel decisions or *ACPA* proceedings) will be excluded. In addition, the detailed questionnaire that has to be filled out by each applicant requires a description of the mission and purpose of the applied-for gTLD, and an enumeration of the intended benefits to registrants and users: see generally *ibid* [1.2.1] and Application Questionnaire (Attachment to Module 2) questions 11(f) and (g); 18(a) and (b).

158 See regarding the need for defensive registrations INTA, *Internet Committee Comments on Defensive Applications for New gTLDs* (27 February 2012) ICANN Forum <<http://forum.icann.org/lists/newgtlds-defensive-applications/pdfbZPjfkrgfs.pdf>>.

159 These include Canon, Hitachi, the Australian Football League, Deloitte, Neustar, Scandinavian Airline Systems Group, UNICEF and the Singapore-based Starhub telecommunications company.

insiders predict that up to two-thirds of the expected 1000–1500 applications could be ‘dotbrand’ applications.¹⁶⁰

Another situation that may be more problematic for a trademark holder who is not careful about defensively objecting to registrations of gTLDs corresponding with their marks, is the possibility that those gTLDs would be used by cyber-grippers who want to parody or criticise their brand names within the relevant domain space. For example, if the Nike Corporation failed to either secure rights in the *.nike* gTLD or to object to another entity’s applying to be the registry operator for that gTLD, it may face registration of second level domains within that domain space, such as *ihate.nike*, or *boycott.nike*. If Nike had failed to challenge the initial registration of the *.nike* gTLD, it may have trouble objecting to commentary sites later established within second levels of that domain space.

Despite the privileged lobbying position the trademark holder groups have had within the development of the new gTLD process, trademark holders are likely to incur a large share of costs and risks as the new system goes online. The task of balancing the rights and obligations of trademark holders in the new gTLD spaces against others with legitimate interests in relevant domain names will create a number of challenges for those tasked with resolving disputes over applications for new gTLDs.

2 Burdens on Free Speech

As noted in the previous sub-Part, trademark holders are likely to be extremely vigilant in either applying to register new gTLDs corresponding with their own marks, or at least in defensively preventing registrations of such gTLDs by others. While trademark holders have legitimate rights to protect their valuable commercial brands within the new gTLD space, either of these possibilities — registration or defensive objection to registration — has the potential to impact negatively on free speech. In the new gTLD program, successful applicants may choose to run their gTLD registry as open or closed registries; registrations within a closed registry would be available only to a certain type and limited number of users. If, for example, the Nike Corporation becomes the registry for all *.nike* names, it may refuse to allow anyone other than its own affiliates to register any second level domains within that *.nike* domain space. If, on the other hand, the Nike Corporation manages to object successfully to anyone else registering *.nike*, but chooses not to apply for the gTLD itself, this potentially wastes a valuable online asset that could be used for legitimate speech purposes. It may be unlikely that there are many ‘legitimate’ speech purposes for using the *.nike* gTLD other than perhaps gripe sites or parody sites about the Nike Corporation, or as a

160 See, eg, the blog edited by domain name industry analyst Kevin Murphy: Kevin Murphy, ‘Melbourne IT involved in 100+ gTLD applications’ on Kevin Murphy, *Domain Incite* (10 January 2012) <<http://domainincite.com/melbourne-it-involved-in-100-gtld-applications/>>. As of 27 February 2012, there were 144 registered users in ICANN’s TLD Application System (‘TAS’), which all applicants are required to use. Each registered user may, however, apply for up to 50 new gTLDs.

registry relating to the Greek mythological goddess Nike, but the current process does not build in any special protections for such expressive avenues.

Perhaps a more complex example is the situation where a trademarked term has other meanings outside the mark itself. Consider, for example, *.amazon*. If the Amazon online store successfully registers this gTLD and does not open up second level domains within this domain space to other non-affiliated entities, those with legitimate interests in, say, discussing the geographical Amazon region could not utilise the new gTLD space. Similar issues could arise in cases where the trademark status of a well-known term with multiple meanings is less clear than the Amazon example. Consider, for example, the term Obama, which is the name of the current US President and the name of a city in Japan. It is unlikely that either of these terms are true trademarks,¹⁶¹ and the current processes for the new gTLD system give little guidance as to who might take precedence in a *.obama* gTLD application. It is also unclear where an unrelated entity successfully applies to register *.obama* as a new gTLD, what obligations that entity may have, if any, to allow representatives of the city or the US President to register second level domains within that new gTLD space.

B Disputes at the Second Level in New gTLDs

The previous two sub-Parts have hinted at the problems that may arise in the second level of new gTLDs depending on how such gTLDs are ultimately allocated. If the majority of new gTLDs go to trademark holders who do not allow second level registrations outside their own affiliates, there may be a significant chilling effect on speech. If these names go to third parties who intend to make money as a registry by registering second level domains to independent applicants, uncertainty could arise. This could occur if substantially varied registration policies and dispute resolution processes are employed by the new registries in their attempts to balance a successful business model while also ensuring that commercial trademarks and other expressive uses of the new domains are adequately protected.

Of course the reality is that some new gTLDs will be registered by trademark holders and some will be registered by others. Many of the new gTLD applications will likely not involve trademark interests at all. Obvious examples of terms that would make valuable new gTLDs would be strings like *.shop*, *.bargain*, *.school*, and *.hotel*. In other words, some of the newly valuable online real estate will be generic terms that can be registered as new gTLDs and for which a successful applicant could make money registering second level domains to interested parties.

Again, this will raise costs and risks for trademark holders, particularly at the second level. It is unlikely that any one trademark holder would apply for, say,

161 Although one UDRP arbitrator has reluctantly accepted that at least one president's name satisfies the trademark requirements of the UDRP: see *William J Clinton and the William J Clinton Presidential Foundation v Web of Deception*, National Arbitration Forum Claim No FA0904001256123 (1 June 2009).

.shop as a new gTLD. However, many trademark holders would likely want to register *trademark.shop* names and would want to ensure that those names were not registered to their competitors or to people who would use the names to damage their own brands. For example, the Nike Corporation would likely want to control the *nike.shop* name and to ensure that no one registered that name for a website that might damage Nike's brand.

The potential for multiple disputes over trademarks and other terms in the second level of a new gTLD will raise similar challenges to those currently faced in the existing gTLD space. As noted previously, the regulations that apply to *.com*, *.net* and *.org* names amongst others — for example, the *ACPA* and the *UDRP* — tend to favour trademark holders' interests above the interests of others. It is currently unclear whether the same dynamic will play out in second levels of new gTLDs or if new domain name dispute resolution procedures such as the *URS* will in fact strike a better balance. While many of the disputes involving second level domains will not arise until well after the new gTLD applications are cleared through the ICANN processes, they will raise similar issues in terms of balancing trademark interests against other speech interests and will create challenges for registries that have successfully secured the rights to administer new gTLDs.

VII CONCLUSION

As noted at the outset, the decision to implement the new gTLD process was not taken lightly or easily by ICANN. The deliberations leading to the current process were protracted and incorporated input from a variety of constituencies, many of whom argued powerfully in favour of strong protections for trademark holders. Nevertheless, the resulting new gTLD system creates significant time and cost burdens for trademark holders as well as governments and other interested groups. Given that the existing system for resolving disputes between trademark holders and others in current domain spaces has not been perfect — despite the much touted success of the *UDRP* — it can hardly be expected that the disputes arising with respect to new gTLDs will be easily or quickly resolved. It is the authors' intent that this discussion illuminates some of the challenges likely to be faced both by trademark holders and others in years to come under the new system.