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EDITOR’S NOTE

The Trademark Reporter is pleased to publish in this issue the two articles that won the 2013 Ladas Memorial Award. Yvette Liebesman, who is an Assistant Professor of Law at Saint Louis University School of Law, and co-author Benjamin Wilson, Law Clerk for the Honorable William D. Stiehl of the U.S. District Court for the Southern District of Illinois, were the winners in the professional category. Ukeme Awakessien Jeter, a student at Case Western Reserve University School of Law, was the winner in the student category.

The Ladas Memorial Award was established in memory of Stephen P. Ladas, distinguished practitioner and author. Funded by Ladas & Parry, LLP, this yearly award is presented in professional and student categories for a paper on trademark law or a matter that directly relates to or affects trademarks.
ICANN DOT-ANYTHING: RETHINKING THE SCOPE OF THE NEW gTLD EXPANSION, ITS EFFECT ON GOVERNMENT REGULATION, AND ITS IMPACT ON TRADEMARK OWNERS

By Ukeme Awakessien Jeter

I. INTRODUCTION

The dot-com–centric way of Internet addressing is undergoing changes. Instead of typing www.dot.com into your web browser, you will soon be able to enter www.dot.anything. The reason for this is that the organization in charge of domain names, the Internet Corporation for Assigned Names and Numbers (ICANN), has approved plans for the introduction of new generic Top Level Domain (gTLD) extensions.1 This dramatically increases the number of TLDs from the current twenty-two (e.g., .com, .org, and .net) to a potentially infinite number.2 ICANN is rewriting the nomenclature for web addressing. More importantly, the expansion is likely to place an undue burden on the government by expanding regulatory responsibilities, as well as negatively impacting trademark owners.

Domain names are often seen as analogous to real estate in that domain names, like sought-after real estate, tend to carry significant value, usually as a result of their online brand-building potential, use in advertising, and many other criteria.3 During its infancy, the Internet was simply a medium that facilitated communication with greater reach and better efficiency than was possible with more traditional methods of communication, such as facsimile.4 Today, the Internet facilitates commercial transactions, and domain names often serve as extensions of brand names and

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2. New Generic Top Level Domains, Frequently Asked Questions, Internet Corporation for Assigned Names and Numbers (Oct. 21, 2011), http://www.icann.org/en/topics/new-gtlds/faqs-21oct11-en.pdf (there is “no way of knowing the exact number of applications ICANN will receive nor how many of these applications will qualify and become gTLD registries”).


trademarks of businesses. Proponents of the gTLD expansion argue that it will increase “consumer choice” and promote greater innovation among businesses and Internet users. Opponents contend that the expansion could open a can of worms for those with a significant intellectual property presence on the Internet. Whether one is for or against the expansion, its limitless nature seems to focus too heavily on the economic benefits rather than the cost and burdens that could result. The problem is that expanding the domain name space by allowing anyone to register a new .brand TLD does nothing to resolve many extensively documented issues with the Domain Name System (DNS), including cyber security, trademark protection, and rightful ownership to a domain name. Instead, it exacerbates these problems.

During ICANN’s formation in 1999, careful consideration was given to its technical functions, its obligation to the global public interest, and its governance over the Internet. These considerations are described in Article IV of ICANN’s Articles of Incorporation and its Bylaws. Originally, the primary role of ICANN, which was incorporated as a “nonprofit public benefit corporation,” was to assume technical responsibility for the operational stability of the Internet. However, ICANN quickly realized, and subsequently announced, that it was necessary to begin making policy decisions related to its technical function. In 2002, ICANN amended its Bylaws, a decision that was approved by the Board. As a result, ICANN was permitted to start creating domain name policies by a vote of the Board, irrespective of consensus among the various stakeholders. The extent to which the ICANN Board should be able to independently create these “technically related” policies has been a source of much controversy, intensified by debates about the recent expansion of gTLDs.

This article examines whether ICANN’s rationale for expanding gTLDs to increase “consumer choice” contradicts its charter, which states the intention to “lessen the burden of government” in regulating the Internet. Part I outlines the scope

5. Id. at 387.
6. See infra Part II.B (discussing reasons that supporters are for the new gTLDs).
7. See infra Part II.C (discussing reasons that opponents are against the gTLDs).
8. See infra Part III.
9. See infra Part I.B (reviewing the formation of ICANN).
10. Id.
12. See Michael Froomkin, Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution, 50 Duke L.J. 17, 103 (2001) (noting that “the line between what is sufficiently a question of expertise to be a matter of implementation of a more general policy and what constitutes making the policy is not always easy to draw”).
and legal framework under which ICANN was chartered. Part II explores the structure of the Domain Name System and discusses the justifications for and against gTLD expansion. Part III reviews ICANN’s planned gTLD application process and the proposed trademark protection mechanisms. Part IV determines the challenges that the gTLD expansion may face and highlights the new burdens it will place on regulation, as well as the impacts it will have on trademark owners. This article concludes with proposals on ways in which ICANN can comply with its charter.

II. ICANN AND INTERNET GOVERNANCE

The events that led to the formation of the Internet and ICANN have been well documented by legal scholars. This article reviews the events in order to provide a general understanding of how the Internet is governed and the structure of ICANN.

A. The Evolution of Internet Governance

The Internet began as a military research project in the midst of the Cold War. Computer engineers created the technology necessary for the Internet; this was enabled by funding from the U.S. Defense Department. As the Internet evolved into a global infrastructure for communication and commercial transactions, new issues with regard to public policy and global governance emerged.


14. John Chambers, The Oxford Companion to American Military History, 791 (1999) (The Advanced Research Projects Agency (ARPA) was formed in 1958 by the Defense Department of the United States in order to commence the gathering of resources for research, which would make the United States superior in military terms. Accordingly, the computer network ARPANET was set up in 1969 as a small program by one of ARPA’s departments); see Peter T. Holsen, ICANN'T Do It Alone: The Internet Corporation for Assigned Names and Numbers and Content-Based Problems on the Internet, 6 Marq. Intell. Prop. L. Rev. 147, 149 (2002) (“In 1965, scientists developed a way for a computer in Massachusetts to communicate with a second computer in California.”)

15. See Holsen, supra note 14, at 149 (the “U.S. Department of Defense deemed [the Internet] to have great potential and funded research projects to further its development.”).

16. See Sallen v. Corinthians Licenciamentos LTDA, 273 F.3d 14, 19 (1st Cir. 2001) (relating that the number of disputes over domain names has increased with the growing commercialization of the Internet); Kenneth S. Dueker, Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses, 9 Harv. J.L. & Tech. 483, 483 (1996) (“The phenomenal growth of the Internet as a commercial medium has brought about a new set of concerns in the realm of intellectual property.”); David S. Magier, Tick, Tock, Time is Running Out to Nab Cybersquatters: The Dwindling Utility of the Anticybersquatting Consumer Protection Act, 46 IDEA 415, 417 (2006) (“[b]ecause of the borderless, ubiquitous, and often anonymous nature of cyberspace, the increase in e-commerce brings to the fore significant jurisdictional challenges for those seeking to protect their intellectual property.”)
The economic potential of the Internet brought about the formation of an ad hoc political alliance between international intergovernmental agencies, which included the World Intellectual Property Organization (WIPO), the International Telecommunication Union (ITU), and the International Trademark Association (INTA). The members of this alliance prepared a document called the “generic top-level domain memorandum of understanding” (gTLD-MoU), in which they advocated for “competition,” “privatization,” and “self-governance” of the Internet on behalf of the Internet community. With the support of a similar agenda by one of the founding technical leaders of the Internet, Dr. Jon Postel, the gTLD-MoU proposed the transfer of DNS management responsibilities from the US government to a self-regulatory organization composed of members of both the public and private sectors. Given this pressure, the U.S. government agreed to play a role in privatizing the Internet. In doing this, the U.S. government agreed to surrender its authority in exchange for a forum that facilitated direct public participation. In addition, policies were to be anchored directly in the consent of the governed. Based on these principles, ICANN was born.

B. The Legal Framework for the Creation of ICANN

ICANN was incorporated under a specific legal framework—California’s Nonprofit Public Benefit Corporation Law. As ICANN was being created, negotiators sought a membership-based

17. See Mueller, supra note 13, at 142-151 (explaining the creation and circulation of the gTLD-MoU, which invited public and private Internet stakeholders to voluntarily support and actively participate in the implementation process).

18. Id. at 161 (explaining how Postel’s challenge to the US rivaled the gTLD-MoU in boldness).


21. Id. at 1102 (the Clinton administration addressed these concerns by “issuing a White Paper titled Management of Internet Names and Addresses. The White Paper recognized a ’need for change’ regarding the Internet’s administration. . . . [and] called on the Internet community to create an administrative body ‘based on a broad consensus among industry stakeholders,’ that would be free from government control.”) (citing and quoting, Brian W. Borchert, Imminent Domain Name: The Technological Land-Grab and ICANN’s Lifting of Domain Name Restrictions, 45 Val. U.L. Rev. 505, 511; see also ICANN Background Points, Internet Corporation for Assigned Names and Numbers, http://www.icann.org/general/background.htm#7 (last visited Dec 15, 2011)).

22. See http://www.icann.org/en/general/articles.htm (noting that ICANN is a nonprofit public benefit corporation and is not organized for the private gain of any person).
organization in which its members would directly elect the Board. However, as a private 501(c)(3) nonprofit entity under California law, ICANN has no shareholders or other external structural oversight mechanism. Hence, the Articles of Incorporation, which typically set up the basic structure of a given organization, were carefully constructed for ICANN. The following is stated in ICANN’s Articles of Incorporation:

ICANN shall “pursue the charitable and public purposes of lessening the burdens of government and promoting the global public interest” and “operate for the benefit of the Internet community as a whole, carrying out its activities in conformity with relevant principles of international law and applicable international conventions and local law and, to the extent appropriate and consistent with these Articles and its Bylaws, through open and transparent processes that enable competition and open entry in Internet related markets. To this effect, the Corporation shall cooperate as appropriate with relevant international organizations.” (Emphasis added.)

In this way, ICANN governs by means of a private, yet globally applicable contract; its decision-making processes strive to represent the global public interests of civil society, as well as business and technical communities.

ICANN’s mission statement, which guides the organization, states in pertinent part that:

ICANN ... ensure[s] the stable and secure operation of the Internet[,] ... coordinates the allocation and assignment of Domain Names[,] ... and coordinates policy development reasonably and appropriately related to [the Internet’s] technical functions (Emphasis added).

Read in combination with the Articles of Incorporation, essentially, the ICANN Board must maintain a balance in its obligation to lessen the burdens of government as it promotes the global public interest, while maintaining operational stability of the Internet. It seems like ICANN cannot become involved in policy and rule making that is unrelated to the technology or operational stability of the Internet. As a technical coordinator, ICANN is restricted

26. ICANN Articles of Incorporation (November 1998), http://www.icann.org/en/about/governance/articles (the Articles of Incorporation is a legal document that is filed with the state to create a corporation. The Articles function like a constitution for the nonprofit corporation).
27. ICANN webpage: http://www.icann.org/en/general/bylaws.htm#I.
from taking actions outside of technical policy that may be necessary to meet their public interest obligations.

Bylaws, which are often easier to modify than the Articles of Incorporation, typically include detailed implementations of an organization’s policies.28 ICANN’s Bylaws, which have been amended a few times, define the necessary balance between technical coordination and policymaking.29 One of the major debates over ICANN’s structure concerned the relative power of the existing Internet technical community as compared with that of commercial users, trademark owners, consumers, and national laws.30 To resolve this issue, the Bylaws set up a structure where half of the ICANN Board is elected by the technical community (the Supporting Organizations, or SOs), and the other half is elected by the general population at large (the At-large Membership).31 ICANN also has Advisory Committees, on which it relies to some extent to provide advice regarding interests and needs of stakeholders that do not directly participate in the SOs. One such Advisory Committee is the Governmental Advisory Committee (GAC), which is composed of representatives of a large number of national governments from all over the world. The GAC, in its nonvoting advisory capacity, serves as a point of communication between national governments and ICANN. Neither the Supporting Organizations, nor the At-large Membership, nor Advisory Committees such as the GAC have the right to implement any policies. The ICANN Board has sole authority in decision making.32 This is particularly disturbing in cases where, as in the expansion of gTLDs, ICANN is faced with a decision that affects the global public interest. ICANN’s president has expressly stated that when faced with a decision, “ICANN’s default position should be to foster competition as opposed to having rules that restrict.”33 However, the following question is raised: under what authority and to what extent should ICANN independently make decisions about the Internet?

28. Bylaws are the rules and procedures that specify how a nonprofit corporation will operate and be governed. Although there are no set criteria for bylaw content, they typically set forth internal rules and procedures for the nonprofit corporation.


31. Id.

32. Id.

III. EXPANDING THE ROOT

The Internet, very much like the telephone numbering system, or the International Standard Book Numbering (ISBN) system, requires unique numerical identities known as IP addresses.34 The DNS was developed to make the Internet more user-friendly by using mnemonic identities, which are easier to remember, in place of numbers.35 However, this poses a challenge—if two businesses in different states operate using the same business name, who has the choice of [thatbusinessname].com? Right now, the choice is made on a “first come, first served” basis.36 Expanding the DNS by adding new gTLDs does not change the process by which that choice is made. Instead, it raises an interesting question: Should ICANN’s purpose be creating more domain name choices, or should it instead be creating options for co-existing identical domain name choices? The answer may very well be both. Since two companies can exist in the real world using the same name, and both can enjoy using the same trademark in their respective territories or classes of goods and services, why should we accept ICANN’s inability to do the same with the DNS? Granted, as many recognize, it is technically easier for more than one business to share the same trademark in physical space than it is to do the same in virtual space.37 However, this is a challenge that ICANN should be striving to meet. Resolution of this dilemma would serve the global public interest.

After domain names emerged as a business-branding tool, a frenzied grab ensued, resulting in a scarcity of premium addresses.38 The .com domain name gained the most popularity; others did not have the same appeal. Some were out of reach because they were either ccTLDs associated with particular countries (such as .uk and .fr), or sponsored gTLDs (such as .gov and .edu).39 Thus, there has been a long-standing pressure to

34. See Nilanjana Chatterjee, Arbitration Proceedings Under ICANN’s Uniform Domain Name Dispute Resolution Policy—Myth or Reality, 10 Vindobona J. Int’l Com. L. & Arb. 67, 71 (2006) (stating that an Internet domain name is the equivalent to a phone number).
36. Lipton, supra note 3, at 63.
37. Id.
39. See Reece Roman, What if ICANN Can’t?: Can the United Nations Really Save the Internet?, 15 Syracuse Sci. & Tech. L. Rep. 27, 7-8 (explaining the other two types of TLDs include the country specific (known as ccTLD), for example, .uk (United Kingdom), the third type, known as sponsor, is used solely for infrastructure purposes and is not important to the average Internet user); Milton Mueller, Land Grab? ccTLDs and multilingual names
increase the number of gTLD domain names in order to resolve the problem that some see as scarcity and others see as a lack of competition for “good” names. The first four generic extensions (.com, .net, .org, and .edu) were introduced in 1985. In 2000, ICANN approved seven more extensions, followed by another ten after 2004 (one of these was added in 2011). In contrast to the last rounds of expansion, the coming rounds will not be restricted. In 2005, ICANN began economic studies to determine how many new gTLDs they could create, what those new gTLDs would be, who would be responsible for running the registration process, and what rules would apply. The reports suggested that ICANN could create unlimited gTLDs and still maintain operational stability and improve competition.

A. Nomenclature of the DNS

The Domain Name System (DNS) is a complex, layered technical system. For example, in the website address www.brand.com, brand is known as the second-level domain name, while .com is known as the top-level domain name. The actual combination of the second-level and top-level domains is what is commonly referred to as the “domain name.” The DNS is a combination of databases on servers, structured like a pyramid; at the apex of the DNS pyramid is the root zone. The root zone consists of identification entries for top-level domains (TLDs).

(2007). http://blog.internetgovernance.org/blog/_archives/2007/12/5/3392238.html (asserting that there is only one DNS name space, hence “The distinction between ccTLDs and gTLDs is entirely political and arbitrary, not technical or economic”)

40. See, Donna L. Howard, Trademarks and Service Marks and Internet Domain Names: Giving ICANN Deference, 33 Ariz. St. L.J. 637, 639-40 (2001) (stating that the .com top-level domain name is the most commonly used by commercial entities and is generally seen as a catchall top-level domain); C. Kim Le, Generichness Need Not Apply: Employing Generic Domain Names in Cyberspace, 14 Fordham Intell. Prop. Media & Ent. L.J. 1093, 1095 (2004) (noting that approximately ninety-eight percent of all words found in Webster’s English Dictionary are currently registered as domain names).

41. See Top-Level Domains (gTLDs), ICANN, http://www.icann.org/en/tlds (noting that the following top-level domains were created in the 1980s: .com, .edu, .gov, .int, .mil, .net, and .org).

42. ICANN, supra note 2.

43. See infra Part III.B (discussing the details of the reports).

44. Id.

45. See Mueller, supra note 13, at 47.

46. See ICANN DNS Stability: The Effect of New Generic Top Level Domains on the Internet Domain Name System, ICANN, 1 (Feb. 6, 2008), http://www.icann.org/en/topics/dns-stability-draft-paper-06feb08.pdf (stating that the Internet’s structure “consists of a backbone of networks and servers connected” with one another that allow for the sharing of information). These information-sharing technologies include Internet Protocol (“IP”) addresses and domain names and fall under the Internet’s Domain Name System (“DNS”).

47. See Mueller, supra note 13, at 47.
The proposed expansion would add domain names to the category of generic top-level domain names (gTLDs), which includes the .com, .org, and .net extensions. Collectively, the three types of TLDs—country, sponsored and generic—contain twenty-two TLDs. The most abundant and popular of these TLDs by far is the .com gTLD.

The overall system managed by ICANN is maintained by two groups: the registries and the registrars. There are currently 943 domain name registrars and 20 registries. Registrars deal directly with individual domain name registrants in a retail domain name selling capacity. Registrars, in turn, operate in a more limited capacity; they maintain and organize the TLD. The gTLD expansion would essentially open up the registry level to any company who meets the technical, financial, and operational specification criteria established by ICANN. This means an entity that owns brand.com would be able to own and manage their .brand as a gTLD, essentially as a registry. A company or group seeking a gTLD would need to demonstrate that it can operate the gTLD in a stable and secure manner, operate a domain name registry for those applying for domain names within the gTLD, and provide means for resolution in possible cases of disputes. Ownership of a gTLD would be limited to public or private entities and organizations worldwide; because of the level of complexity and resources required, individuals or sole proprietors would not be able to own gTLDs.

49. See Dennis Carlton, Report of Dennis Carlton Regarding ICANN’s Proposed Mechanism for Introducing New gTLDs, ICANN, 5 (June 5, 2009), http://www.icann.org/en/topics/new-gtlds/carlton-re-proposed-mechanism-05jun09-en.pdf (highlighting that more than 80 million .com TLDs exist while only 12 million and 7 million .net and .org TLDs exist, respectively).
50. See Globosantafe Corp. v. Globalsantafe.com, 250 F. Supp. 2d 610, 619 (E.D. Va. 2003). Registrars deal directly with individual domain name registrants in a retail domain name selling capacity. The registry, in turn, operates in a more limited capacity by mainly maintaining and organizing the TLDs–Registry Database. The database consists of all the domain names registered by all registrants and registrars in each top-level domain. See also Solid Host, N.L. v. Namecheap, Inc., 652 F. Supp. 2d. 1092, 1095 (C.D. Cal. 2009) (“The registry maintains a centralized, publicly accessible database of information concerning all domain names in a TLD, known as the WHOIS (or Whois) database; this database is compiled from information submitted by registrars.”).
53. Id. at 1-19, 1.2.1 Eligibility.
B. Voices for the Expansion

ICANN, Internet Service Providers (ISP), and business economists have been some of the strongest proponents of a market that is open to a greater number of new gTLDs. They believe that the expansion would provide a market-driven mechanism for competition in the best interests of the general public. One advantage has been identified as increased competition among registries and registrars; this is based on price differences, services provided, and other differentiators. The new gTLDs would also create the ability to commercially market TLDs, since the desirability of a particular prefix choice could foster the selling of second-level domain names and licensing of registrars.

From a public interest perspective, supporters of the expansion predict that ownership of a gTLD could create better protection against cybersquatting. They envision that cyber security would improve globally, as brand owners would become the police and enforcers of their own gTLDs. After all, they would make the decisions on how to issue second level domain names and who to issue them to, which would give them the ability to control and prevent cybersquatting. Furthermore, supporters contend that the existence of more registries would lead to the creation and adoption of varying levels of pre-registration procedures. This would discourage cybersquatters, since it would be difficult for them to circumvent so many registration procedures.

Another possible advantage of the expansion is that industry and trade associations would most likely seek to secure gTLD names associated with the goods and/or services that they provide their members; examples include .bank, .hotel, .auto, and .nba. Supporters believe that this will serve as an efficient source

54. See ISPCP Position on New gTLD Expansion (Feb. 1, 2006), gnso.icann.org/issues/new-gtlds/ispcp-01feb06.txt (“Fundamentally, the ISPCP believes that the mechanism for recognizing and implementing new, generic Top Level Domains is adequate”); Juliana Gruenwald, ICANN Defends Domain Name Process, National Journal (Aug. 10, 2011, 3:59 PM) http://www.nationaljournal.com/tech/icann-defends-domain-name-process-proposal-20110810 (ICANN President and CEO Rod Beckstrom wrote that the “decision to proceed with the [new gTLD] program followed six years of inclusive policy development and implementation planning. Significant actions have been taken to balance the concerns of all interested parties, provide protections for rights holders, registrants, and users, and to ensure that the security, stability, and resiliency of the Internet are not compromised.”).

55. See, Infra III.B (discussing the economic advantages of the expansion).

56. Id.

57. See Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 680 (9th Cir. 2005). The court explained that:

“Cybersquatting occurs when a person other than the trademark holder registers the domain name of a well-known trademark and then attempts to profit from this by either ransoming the domain name back to the trademark holder or by using the domain name to divert business from the trademark holder to the domain name holder.”
identifier for consumers. They predict it will also give consumers a greater sense of security when using the Internet, because consumers who visit www.brand.hotel know that they are visiting a certified hotel site. Of course, this follows the assumption that as with sponsored TLDs, the trade group or sponsor of the TLD sets up a pre-registration process that ensures that only hotels can buy a second level domain name.

C. Voices Against the Expansion

Prominent global brand owners and Intellectual Property interest groups have significant public policy concerns about the expansion of gTLDs. They believe that the expansion would: (1) increase the likelihood of cybersquatting and other malicious conduct, and (2) diminish the power of trademarks to serve as strong, accurate and reliable source identifiers.

One of their major concerns is that the new gTLDs would increase the level of fraud and abuse on the Internet, which would harm consumers, businesses, and other users of the Internet. They predict that the unlimited expansion of gTLDs would exponentially increase the number of defensive registrations. While most businesses already register multiple domain names defensively, the fear is that new gTLDs could increase costs associated with defensive registration in an unquantifiable manner. To illustrate this point, let’s take the example www.brand.com, and assume the company Brand is a fashion merchandiser that sells clothing, shoes and bags. If Brand chooses to register and operate .brand and decides to have a “closed” gTLD, meaning it does not sell its

58. See Juliana Gruenwald, Advertisers Pushing for ICANN to Drop New Domain Proposal, Nat’l J. (Aug. 4, 2011, 5:22 PM), http://www.nationaljournal.com/tech/advertisers-pushing-for-icann-to-drop-new-domain-proposal-20110804 (“The program violates simple common sense. There are no material or obvious benefits from the program that provide true, measurable advantage to major parts of the constituency ICANN is charged to protect”); Monika Ermert, EU’s Kroes Not Amused By ICANN Decision On New TLD, Intellectual Property Watch (Aug. 4, 2011, 5:22 p.m.), http://www.ip-watch.org/weblog/2011/06/22/eus-kroes-not-amused-by-icann-decision-on-tlds/ (Neelie Kroes, European Commission Vice President and Digital Agenda Commissioner stated he is “disappointed that the ICANN Board has repeatedly overlooked public policy concerns”); US government shouts Stop! at ICANN over new gTLD program (Dec. 3, 2010 ), http://gibc.biz/2010/12/us-government-shouts-stop-at-icann-over-new-gtld-program (An aggressive letter sent by the U.S. government to ICANN’s Board has warned the organization not to approve the final rules for new Internet extensions.)

59. See Edmund Lee, ANA’s Bob Liodice Says New Web Domain Plan Could Cost Marketers Billions, ANA letter, http://adage.com/article/digital/ana-s-bob-liodice-domain-plan-cost-billions/229203/; see also Carlton, supra note 49, at 8 (“[T]he Association of National Advertisers states that new gTLDs will generate higher ‘costs of brand management and create new opportunities for others to infringe, phish, and engage in other deceptive practices. As a result, brand owners and consumers will be net losers.’”)

sub-domain names to third parties, what if other groups are approved for .fashion, .clothing, .shoes, and .bags? Will .brand have to defensively register brand.fashion, brand.clothing, brand.shoes, and brand.bags? Since this is already a problem with the current twenty-two gTLDs, it is hard to imagine what it could be like with the expansion.61

Another concern is the ability that businesses have to protect their customers from fraudulent use of names and association with their business names. It is now widely accepted that domain names serve as trademarks.62 It is not unusual for courts to consider domain names in trademark disputes if the domain name operates as a trademark.63 The issue is the requirement, under U.S. trademark law, for trademark owners to diligently protect their rights in a mark.64 Trademark owners have an affirmative duty to monitor unauthorized uses of their mark or third party uses that are “confusingly similar” to their own mark.65 With the expansion of gTLDs, there would be uncertainty in what would constitute reasonable consequences of not doing this. Many businesses could reach a point where they would not be able to contest all names containing their trademarks. This raises the question of whether a tipping point may one day be reached, in terms of businesses not engaging in defensive registrations—beyond trademark dilution, would this lack of defensive

61. http://www.mindsandmachines.com/2010/02/survey-shows-brands-dont-register-defensively-in-new-gtlds/ (“Defensive registrations are a real phenomenon in .com. 100% of the 1043 brands and brand variations are registered in .com” Studies on UDRP filings suggests that this is where the vast majority of cybersquatting also takes place) (brand owners only claim that the cost of defensive registrations will be “astronomical” and a “major burden on U.S. businesses”)

62. Id.

63. But see Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc., 989 F. Supp. 1276, 1279 (C.D. Cal. 1997) (noting that domain names must be affiliated with some commercialized goods or services of the registrant)

64. Id.

65. Id.
registration erode their trademark rights? That being said, if users stop challenging infringement of their trademarks, courts might interpret this lack of action as passivity in defending their trademarks. As a consequence, a court may hold this against a company in any given case. However, courts may adjust their rulings based on an assessment of how reasonable it is for a company to be able to monitor all cases of potential trademark dilution, given the increased number of gTLDs.

IV. PROTECTION MECHANISM WITH THE NEW gTLDs

Both proponents and opponents of new gTLDs agree that it is crucial for adequate trademark protection mechanisms to be adopted to ensure that the risk of increased fraud and abuse is mitigated. To address this concern, ICANN has created mechanisms that trademark owners could use to protect their trademark rights.

A. Overview

The gTLD application process has four parts: Initial Evaluation, String Objections, String Contention, and Delegation. The “string” is the combination of characters forming the new TLD. During the Initial Evaluation, ICANN assesses the gTLD name string, the applicant’s qualifications, and its proposed registry services. After the Initial evaluation, ICANN publishes the pre-approved name strings; this triggers the String Objections and String Contention processes, which this article collectively refers to as the “Pre-Delegation Protection Mechanism.” Name strings surviving pre-delegation objections advance to the delegation process. When the new gTLD string is approved, the applicant is expected to enter into a registry agreement with ICANN and accept responsibility for administering the new gTLD in the DNS root. Objection to a gTLD can be made after its issuance; this process is referred to in this Article as the “Post-Delegation Protection Mechanism.”

66. Id.
67. See gTLD Applicant Guidebook, supra note 52, at 4-1.

“String contention occurs when two or more applicants for identical or similar gTLD strings successfully complete all previous stages of the evaluation and go through a dispute resolution process. String Contention may be resolved by one or more applicants withdrawing their applications, but not by selecting a new string or replacing an applicant.”
B. Pre-Delegation Protection Mechanism

Before a gTLD is approved, an objection to its issuance can be made. Trademark owners, as well as others, would be able to object to new TLD applications after ICANN publishes them for public review. The grounds upon which an objection may be filed are as follows:

(i) **String Confusion Objection**: This term refers to objections that claim that the string comprising the potential gTLD is confusingly similar to an existing top-level domain or another string applied for in the same round of applications.

(ii) **Existing Legal Rights Objection**: This term refers to objections that the string comprising the potential new gTLD infringes upon the existing legal rights of others that are recognized under generally accepted and internationally recognized principles of law.

(iii) **Limited Public Interest Objection**: This term refers to objections that the string comprising the potential new gTLD goes against generally accepted legal norms relating to morality and public order that are recognized under principles of international law.

(iv) **Community Objection**: This term refers to the objection that there is substantial opposition to the application from a significant portion of the community to which the string may be explicitly or implicitly targeted.

ICANN will not be responsible for reviewing the objections. Instead, it has delegated this authority to different dispute resolution service providers. Objectors will report their grievances in a timely manner to the appropriate Dispute Resolution Service Provider (DRSP). An applicant whose gTLD is the subject of an objection may: (i) try to settle with the objector, so that the objection or the application is withdrawn; (ii) file a response to the objection; (iii) withdraw his application; or (iv) file no response to the objection such that the objector will prevail by default.

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68. *See id.* (happens shortly after initial evaluation is completed and the application period closes).

69. *Id.*

70. *Id.:

(i) “String Confusion Objections” shall be administered by the International Centre for Dispute Resolution. (ii) “Existing Legal Rights Objections” shall be administered by the Arbitration and Mediation Center of the World Intellectual Property Organization. (iii) “Limited Public Interest Objections” shall be administered by the International Centre for Expertise of the International Chamber of Commerce. (iv) “Community Objections” shall be administered by the International Centre for Expertise of the International Chamber of Commerce.

71. *Id.*
C. Post-Delegation Protection Mechanism

The way in which objections can be made after a gTLD is approved can be subdivided into the following categories: (1) Rights Protection Mechanism and (2) Dispute Resolution Mechanism. Both mechanisms make it mandatory for new gTLD registry operators to operate (or sub-contract the operation of) their registries in a manner that monitors and tracks pre-existing trademark owners’ rights.

1. Rights Protection Mechanism (RPM)

To facilitate this mechanism, ICANN has designed a Trademark Clearinghouse.72 The purpose of the clearinghouse is to serve as a central repository for trademark information, including information on both registered and unregistered trademark rights, which brand owners have submitted. All-new gTLD registries are expected to interact with this central information source in order to obtain and verify information related to domain name registrations. To register a trademark with the Trademark Clearinghouse, a trademark owner will have to submit a copy of his registration certificate for the mark (or other proof of ownership of a mark), a declaration of ownership of rights pertaining to the mark (including a statement under oath that the mark is currently in use), a specimen showing use of the mark (e.g., a picture of the product bearing the mark, or a website shot showing the services offered under a mark), and an undetermined annual maintenance fee. Registration with the Clearinghouse will not constitute conclusive evidence of rights pertaining to the mark that can be used for purposes of objecting to another party’s application to register a domain name.73 Choosing not to register will also have no impact on a subsequent dispute.

Based on information stored in the Trademark Clearinghouse, each approved gTLD applicant, in order to operate a registry, is required to implement either or both of the following RPMs:

a. Trademark Claims Service74

The Registry Operator will send notice of registration of a domain name that matches a trademark within the Trademark Clearinghouse to (i) potential registrants of domain names within

72. See id. at 1-6. (All new gTLD registries will be required to use the Trademark Clearinghouse to support their prelaunch or initial launch period rights protection mechanisms (RPMs).)

73. Id. (Inclusion in the Clearinghouse is not proof of any right, nor does it create any legal rights. Failure to submit trademarks to the Clearinghouse should not be perceived as a lack of vigilance by trademark holders or a waiver of any rights, nor can any negative influence be drawn from such failure.)

74. See id. at 5-11.
the Trademark Clearinghouse that match the given trademark and (ii) owners of the trademarks contained within the Trademark Clearinghouse.

**b. Sunrise Period**

Trademark owners who have registered their mark with the Trademark Clearinghouse will have an exclusive period of time (prior to the opening of a registration period to the general public), known as the “sunrise period,” to register domain names within the gTLD.

2. **Dispute Resolution Mechanism**

ICANN has established additional dispute resolution processes beyond the Uniform Dispute Resolution Process (UDRP). However, the UDRP is still available. Each successful gTLD applicant who becomes a Registry Operator must comply with standard procedures in resolving disputes by employing the following mechanisms: a Uniform Rapid Suspension System (URS) and a Post-Delegation Dispute Resolution Procedure (PDDRP).

**a. Uniform Rapid Suspension System (URS)**

This is designed to be a “cost-effective and timely” mechanism for brand owners who exhibit “clear cases of trademark abuse.” Essentially, domain name registrations that are found to be in violation of a given brand owner’s rights are placed in a “frozen state.” The prevailing trademark owner does not automatically acquire the domain name that has been infringed upon; rather, the domain name will point to a holding page until the end of the current registration period. After this suspension ends, anyone will be free to register the domain name. In addition, the domain name registrant (the alleged infringer) will have only 14 days to respond to a complaint (subject to a one-week extension). A finding that the alleged infringer is, in fact, not infringing upon the rights of the trademark owner will always be without prejudice. This way, the trademark owner is not barred from

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75. See id. at 5-11.

76. http://www.icann.org/en/topics/new-gtlds/gac-scorecard-23feb11-en.pdf (ICANN announced that the existing UDRP continues to be available with the new gTLD in cases where complainant seeks transfer of names. Basically, this process is for all complaints that claim “Existing Legal Rights Objections” type of disputes.)

77. See Draft Applicant Guidebook, supra note 67, at URS.

78. Id.

79. Id.

80. Id.

81. Id.
pursuing another URS proceeding or action under the UDRP against the same infringing domain name registrant.\textsuperscript{82}

\textit{b. Post-Delegation Dispute Resolution Procedure (PDDRP)}\textsuperscript{83}

Trademark owners may file a complaint against the registry when: (1) use of a string for a new gTLD name is identical or confusingly similar to an existing mark, particularly in cases where the gTLD takes unfair advantage of the distinctive character or the reputation of the complainant’s mark, impairs the distinctive character or the reputation of the complainant’s mark, or creates a likelihood of confusion with the complainant’s mark; and (2) where the registry engages in affirmative conduct that exhibits a “substantial pattern or practice of specific bad faith intent” to profit from the infringement of domain names.

In PDDRP, a third party files the complaint electronically with an ICANN-approved PDDRP Provider.\textsuperscript{84} Because actual registrants of domain names with the Registry Operator are not a party to these actions, the remedy cannot be to delete, transfer, or suspend any registrations. Thus, an Expert Panel may recommend a variety of remedies, including ordering the Registry Operator to employ remedial measures to prevent future infringing registrations or require the Registry Operator to monitor registrations.

\textit{c. Registration Restriction Dispute Resolution Procedure (RRDRP)}\textsuperscript{85}

This procedure will cover disputes between third party complainants that have been harmed by a Community Based gTLD Registry Operator that is not in compliance with the registry agreement. A Community Based gTLD is a gTLD that is operated for the benefit of a clearly delineated community. Established institutions and individuals who are associated with defined communities are eligible to file RRDRP complaints electronically with an ICANN approved provider.\textsuperscript{86}

As with PDDRP, deletion, transfer, or suspension of registrations made in violation of the registry agreement are not feasible remedy options, since registrants of domain names are not party to this type of action. An Expert Panel may recommend a variety of remedies against the Registry Operator; some of these

\begin{itemize}
\item \textsuperscript{82} Id.
\item \textsuperscript{83} See id. at PDDRP.
\item \textsuperscript{84} Id.
\item \textsuperscript{85} Id.
\item \textsuperscript{86} See id. at PDDRP.
\end{itemize}
include measures to ensure that future registrations comply with the Community Based limitations and suspension of the Registry Operator’s rights to accept new domain name registrations within the gTLD until the violations are resolved.

V. REINING IN THE NEW gTLDS

Although the proposed protection measures discussed in Part IV constitute a commendable first step in ensuring the protection of trademark owners’ rights, many argue that they ultimately fail to adequately protect the interests of trademark owners. This article is not as concerned with the adequacy of the proposed protection mechanisms as it is with the increased burdens that enforcement of these mechanisms will place on regulatory bodies, as well as the impact of this enforcement on trademark owners. The rights of trademark owners remain subject to increased compromise and infringement. Trademark owners wishing to fully protect their intellectual property rights may incur substantial burdens and prohibitive costs. In addition to ICANN’s proposed mechanisms, they may have to pursue litigation in domestic courts or pressure legislators to enact additional remedial statutes.

A. The Economic Rationale of Expanding the DNS

In 2007, the Board commissioned several economic studies to inform its decision making about the new gTLD Program. The commissioned economic studies were meant to specifically address the possible economic consequences of new gTLDs. Accordingly, ICANN retained the services of economist Dennis Carlton, who had recently served as the chief economist to the United States Department of Justice Antitrust Division. In 2009, Carlton issued his final report, concluding that ICANN’s proposed framework for introducing new gTLDs was likely to “facilitate entry and create new competition to the major gTLDs such as .com, .net, and .org.”88 The report went on the support this conclusion by pointing out that the new gTLDs would remove artificial restrictions on entry, based on the fundamental principles that “competition promotes consumer welfare and restrictions on entry impede competition.”89

The report discarded concerns that the introduction of new gTLDs could harm consumer welfare by creating confusion or imposing costs on trademark holders, by pointing out that issues pertaining to intellectual property concerns could be “addressed

87. Supra Part II.C (discussing the inadequacies of the protection).
89. Id.
through existing dispute resolution mechanisms.90 The report also suggested that concerns about the need for defensive registrations might be exaggerated. In recent years, compared with those for .com, only a relatively limited number of registrations were achieved by other new gTLDs, such as .info and .biz; this observation indicated that the vast majority of .com registrants did not find a compelling reason to undertake defensive registrations on the new gTLDs.

B. The Obligation to Lessen Government Burden

The concept of “lessening government burden,” which is stated in ICANN’s Articles of Incorporation, originates from U.S. Federal tax law, specifically from the Internal Revenue Code Section 501(c)(3). This is a provision that renders nonprofit organizations in the United States exempt from paying federal income taxes if they meet certain conditions. ICANN has 501(c)(3) status and has already passed the tests imposed by the Internal Revenue Service (IRS).91 In light of the recent decision to expand gTLDs, it is debatable whether or not ICANN is still lessening government burdens (using the term “government” broadly to mean any regulatory activity that results, whether administered by a government or service provider).

Rev. Rul. 85-2(9) of the Internal Revenue Code provides the most authoritative guidance as to what qualifies as “lessening the burdens of government.” Here, the IRS established a two-part test that assesses the following: (1) whether an organization’s activities are activities that a governmental unit considers to be its burdens, and (2) whether such activities actually “lessen” the governmental burden.92 A finding of the second part of the test is a “facts and circumstances” determination, which is complex; its description is not entirely necessary for the purposes of this Article. Instead, analysis will be based on what ICANN presented at the time they

90. Id.

91. See ICANN Form 1023 (Appendix 4), available at http://www.icann.org/en/financials/tax/us/appendix-4.htm; ICANN made this following representation when seeking nonprofit tax status: “Rev. Rul. 85-2 states that ‘a favorable working relationship between the government and the organization is strong evidence that the organization is actually ‘lessening’ the burdens of the government” (emphasis added). This favorable working relationship is evidenced by the Memorandum of Understanding, which states that the DOC and ICANN will “jointly design, develop, and test the mechanisms, methods, and procedures that should be in place and the steps necessary to transition management responsibility for DNS functions now performed by, or on behalf of, the US Government to a private-sector not-for-profit entity.” If ICANN is fulfilling the terms set forth in the Memorandum of Understanding and if it eventually becomes solely responsible for DNS management activities, then it will lessen the burdens of government. That is, it will perform DNS management activities that the DOC would otherwise have the burden of performing.”

applied for 501(c)(3) status. In response to the second part of the test, ICANN declared that a “favorable working relationship between the government and the organization is strong evidence that the organization is actually ‘lessening’ the burdens of the government.”93 They went on to point out that because they were working jointly with the government to “design, develop, and test the mechanisms, methods, and procedures that should be in place and the steps necessary . . . or DNS functions,” they were actually lessening government burden.94

ICANN does three notably important things that actually lessen government burdens: (1) it approves companies to become accredited primary registrars for domain names; (2) it coordinates technical parameters to maintain universal connectivity to the Internet; and (3) it administers a Uniform Domain Name Dispute Resolution Policy (UDRP) for domain name issues. The UDRP was adopted by ICANN on the basis of recommendations made by WIPO to administer dispute resolution procedures.95 Since the UDRP is limited to cases of bad-faith, abusive registration, its use for domain name disputes has proven highly popular among trademark owners.96 In any conflict, the UDRP does not prevent either party from submitting a dispute to a national or domestic court; however, very few cases that have been decided under the UDRP have been brought before a national court of justice.97

C. Weighing the Costs Against the Benefits

The costs associated with registering and maintaining a new gTLD, when weighed against the supposed benefits, simply do not add up.98

For instance, the Trademark Clearinghouse places high costs and burdens on trademark owners to supply and update the information stored. It needlessly burdens trademark owners with the duty of supplying trademark information and validating such

93. Supra n.91.
94. Id.
95. Id.
96. Lipton, supra note 3, at 39.
98. See House Hearing, 112 Congress, May 4, 2011, Serial No. 112-37, available at http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg66155/html/CHRG-112hhrg66155.htm (explaining that apart from the massive cost to register, brand holders will also need to set up internal protection mechanisms. It doesn’t seem fair to create hundreds of new gTLDs and then force brand, to creating safeguards to protect. The expansion does not properly weigh the potential costs and benefits to the users and public); see also, Comments of the International Trademark Association on the Third Draft of the New gTLD Applicant Guidebook, available at http://www.inta.org/Advocacy/Documents/November202019 Thrush.pdf.
information on an annual basis. In addition to these demands, brand owners pay an annual fee (the size of which is undetermined at this time) to cover the costs of participation in the Clearinghouse. However, since a trademark owner can choose not to register without impact on a subsequent dispute, those owners may choose to stake their claim through litigation or other dispute strategies. Following the idea that prevention is better than cure, it can be argued that compliance with the Clearinghouse, including furnishing of the required documents, is a less costly alternative than dispute resolution. However, without specific knowledge of the size of the annual fee or other associated costs, this is hard to conclude.

Furthermore, the costs and burdens associated with submitting information to the Clearinghouse seem entirely too burdensome if this information cannot later be used to object another party’s application to register a domain name. Why should a trademark owner have to use a separate dispute system to stake his rights to a mark? ICANN maintains that the Clearinghouse is simply a “central repository of trademark information” and does not constitute “conclusive evidence of rights.” This in itself may be fair, but why does the Clearinghouse require an affidavit and a specimen showing use of the mark? This is essentially the same information that a trademark owner would need to produce in a dispute in order to show “conclusive evidence of rights” in a mark. If the Clearinghouse can be used only as a “notification” tool, it can be argued that it has no legitimate purpose. Overall, there is simply not enough of an incentive for a trademark owner to want to sign into the process. The Clearinghouse needs to offer additional benefits, besides serving as a list of registrations and providing notifications to owners when other parties want to register similar names. Otherwise the costs far outweigh the benefits.

Another instance of the benefits not being worth the costs is the proposed Uniform Rapid Suspension System (URS). The URS places trademark owners into an inevitable yearly cycle of filing URS complaints. Since the URS would freeze infringing domain names so that they resolve to a specific error page for the remainder of the registered term, abusive domain name applicants would register domain names for lengthier terms. While the proposed URS would certainly preclude infringing uses of these domain names, brand owners would also be unable to actively use their own domain names that have been infringed upon for the remainder of the term, which could be several years. In these cases, the brand owner may be forced to pursue another, more costly remedy such as invoking the Anti-Cybersquatting Consumer Protection Act (ACPA). The URS, though it promotes speedy processing, lacks the balances of traditional trademark
adjudication, including restoring a trademark owner with the ability to use his own mark. A system cannot successfully protect trademark owners’ rights without the necessary checks to ensure that due process is followed.

Another potential problem lies in the String Contention Objection process. In a situation where multiple parties seeking the same string are unable to reach an agreement, ICANN anticipates that the contention will be resolved by way of withdrawal of an application by one of the parties. However, in the case where the applicants are unable to reach an agreement, ICANN would use an auction to break the impasse. As in a typical auction, the auctioneer would continually increase the prices associated with the applications in the contention set, and the applicants indicate whether or not they are willing to pay these prices. As the prices rise, applicants are expected to exit the auction. In the end, the remaining applicant will pay the increased prices and proceed to the delegation stage of the application process. Unfortunately, applicants with deep pockets who seek the more highly sought generic TLD strings will capitalize on this auction process; the richest applicant, rather than string’s rightful owner, may ultimately claim the string. Sadly, after procuring the desired string, wealthy applicants can then skate through the process by showing the minimal pre-registration requirements, simply because they have the financial resources to win any auction.

All of these flaws serve to illustrate the ways in which the costs and burdens associated with the new gTLDs outweigh the benefits. Applicants lack incentive for using many of the protection mechanisms proposed by ICANN. The mechanisms represent additional operational costs that are likely to limit the number of registrations. This is something that ICANN actually considers an advantage because the process will draw only serious applicants. However, ICANN fails to consider that the downside to this rationale is that businesses will eventually pass these out-of-pocket costs on to consumers.

**D. Redefining the Scope of Expansion**

While there is no single solution, the dilution of a trademark owner’s brand equity can never be recovered. Therefore, it is of great importance that ICANN reconsiders the impact of the gTLD expansion. In establishing procedures and protection mechanisms, ICANN needs to consider its obligations as laid out in its Articles of Incorporation, primarily lessening the burdens of government and promoting the global public interest. If the result of this new gTLD initiative includes not only the approval of an unlimited number of new gTLDs, but also an equally unlimited number of
unforeseen negative consequences, then ICANN has failed its obligation.

ICANN should limit the expansion of new gTLDs to categorical group TLDs, such as .auto, .bank, .hotel, et cetera. Presumably, these types of gTLDs are less contentious than corporate or multinational business .brand gTLDs, as they will most likely force a coalition within trade groups. The collaboration of large multinational businesses within a trade group encourages discussions on desired trademark protection. These discussions are likely to forge very constructive relationships between trade groups and their respective national governments. Because governments make up the GAC, then GAC could become one of ICANN’s biggest allies in the prevention of fragmented public interests.99

ICANN should also consider collapsing the proposed post-delegation dispute mechanism into the existing UDRP. This would create consistency in dispute resolution.100 Reportedly, one of ICANN’s major successes has been the adoption of the UDRP. Trademark owners have come to trust and utilize the UDRP because it provides a faster, cheaper, and easier alternative to challenging domain names in domestic courts of law. UDRP proceedings were intended to focus on abusive domain name registration practices, and the proposed post-delegation mechanisms would not serve a substantially different purpose. Thus, it is only logical to incorporate these mechanisms into the framework of the UDRP. On one hand, this may increase the number of cases that the UDRP handles. On the other hand, it would streamline the process, as the process would now rely on an already established dispute mechanism. Even WIPO, the administrator of the UDRP, agrees that ICANN’s introduction of new dispute resolution mechanism “risk[s] destabilising [the UDRP as a] well-respected enforcement tool.”101

Finally, ICANN should consider utilizing the GAC as an ally, rather than an advisor. The ICANN Board should do more than entertain advice from the GAC.102 Instead, ICANN should count


100. See, Zinatul Zainol, et al., WIPO Panels’ interpretation of the Uniform Dispute Resolution Policy (UDRP) three-prong test, World Patent Information, 33, 275-281(2011) (an analysis of the UDRP three-prong test reveals that even though the UDRP affords a great degree of discretion to the WIPO Panels deciding any given case, there is some consistency and predictability inherent in the UDRP process).

101. Supra note 97 (WIPO Expresses Trademark Concerns On New gTLDs And UDRP Change).

the opinion of the GAC as a vote. The Bylaws currently dictate that if the GAC advice comes in the form of a consensus statement, then the recommendation carries heavy weight; thus, in moving forward, ICANN must try to consult in good faith with the GAC to find a mutually acceptable solution. Since the GAC is a government group of various national governments, they bring valuable insight on public policy issues to the decision-making process. In fact, in the recently signed Affirmation of Commitments,103 in which the U.S. government released the last of its technical oversights over the Internet, both the U.S. government and ICANN recognize “the important role of the GAC with respect to ICANN decision-making and execution of tasks and of the effective consideration by ICANN of GAC input on the public policy aspects of the technical coordination of the Internet DNS.” Essentially, when the GAC presents public policy concerns, ICANN should consider compromising to find the most ideal solution possible as a way to avoid future accusations of failing to meet the global public interests. Unfortunately, one downfall to this approach is that the GAC could be heavily lobbied, regarding what issues to press, by domestic constituents. Another negative aspect is that larger, more powerful governments could control the GAC agenda.

VI. CONCLUSION

It is difficult to conclude that ICANN, in its approval of the expansion of gTLDs, is doing what is required according to its Articles of Incorporation. When ICANN started more than ten years ago, it progressively and cautiously balanced commercializing the Internet with its responsibility to the public, businesses, supporting organizations, governments, and technical entities.104 ICANN systematically built an orderly market, created policies for registries, fostered competition among registrars, and served the public interest. In fact, ICANN’s past method of introducing limited gTLDs, which has been proved effective, makes the proposed expansion uncharacteristic, unjustifiable, and arbitrary.

While ICANN’s status as a public, nongovernmental, global agency needs to be accepted and recognized, there should be lawful constraints on ICANN’s ability to make policy decisions that either conflict with or undermine the “global public interest.”105 As a


104. Supra note 47 (notice ICANN Only released, a few gTLDs at a time).

starting point, ICANN needs to pay more respect to its obligations as laid out in its Articles of Incorporation; these initial aims serve as a good decision-making compass. In addition, an independent review mechanism needs to be introduced in some form in situations where the global public feels that a decision by the Board does not take their interests into account. If ICANN fails to address the concerns that have been raised by trademark owners in a satisfactory, responsible manner, the introduction of new gTLDs could pose a significant threat to consumers and undermine consumer confidence in the Internet. Granted, it is impossible, as well as unnecessary, to gain complete consensus, but the goal should be to serve the interests of the majority of the global public, rather than the interests of the Board.

The effects of the expansion remain to be seen, but it appears to have more potential to negatively impact stakeholders than to reward them. For now, it simply seems that the new TLDs would create cash flow for ICANN’s primary constituents,106 while adding costs and confusion for businesses and the public at large and increasing regulatory burdens.

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106. Id. ("Most of the people active in setting ICANN’s policies are involved somehow in the domain-name business, and they would be in control of the new TLDs (top-level domain names) as well. It’s worth it to them to spend their time at ICANN meetings (or to send staffers), whereas domain names are just a small part of customers’ and users’ lives"); see also Testimony of Joshua S. Bourne President of the Coalition Against Domain Name Abuse (May 4, 2011), available at http://judiciary.house.gov/hearings/pdf/Bourne05042011.pdf.