

**INTA Internet Committee Reply Comments on
Proposal for a Specification 13 to the ICANN Registry Agreement to Contractually Reflect
Certain Limited Aspects of ".Brand" New gTLDs
January 31, 2014**

The Internet Committee of the International Trademark Association (INTA) appreciates the opportunity to provide reply comments on the Proposal for a Specification 13 to the ICANN Registry Agreement to Contractually Reflect Certain Limited Aspects of “.Brand” New gTLDs.

The Committee’s comments below reflect its continued support for the Proposal and stakeholder efforts to modify the Registry Agreement to reflect the defining characteristics of .Brand registries, as well as its desire to amplify certain considerations raised during the initial public comment period.

The overwhelming majority of the initial public comments responded in the affirmative to each of the questions posed by staff, with the exception of the third, i.e., “whether there may be unintended consequences associated with the implementation of draft Specification 13”. For the most part, the responses to the third question were either that the commenter did not foresee any unforeseen consequences associated with the implementation of draft Specification 13, or that it was not possible to make a precise prediction.

Definition of “.Brand TLD”

Inclusion of Affiliates and Licensees

With regard to the question presented as to the scope of “.Brand TLD” definition in Section 5.1(i), the Committee notes that the definition contemplates that the requirements can be met by the activity of either the Registry Operator or its Affiliate (*e.g.*, (b) and (c)); however, as written, Subsections (d) and (f) can be satisfied only by the activity of the Registry Operator. In some cases, the Affiliate may actually be the trademark owner (or the Registry Operator may be the trademark owner), but is in effect a trademark holding company, which makes no use of the trademark itself that forms the basis of the .Brand registry. Therefore, there were several public comments that expressed that Subsections (d) and/or (f) be revised to allow the activity of Affiliates to satisfy these requirements as well. The Committee agrees with these comments which reflect common business practices of legitimate trademark owners worldwide. Affiliates should be included in Subsections (d) and (f), and this apparent oversight should be corrected.

Otherwise, we see no principled reason to exclude Affiliate activity, such as continuous use of the relevant trademark, from consideration.

In addition, the Committee wishes to address apparent concerns from some responders regarding “gaming” arising from the inclusion of Affiliates and/or Trademark Licensees in the scope of the .Brand TLD.¹ The Committee’s view is that while “gaming” is a concern generally in any ICANN policy, it should not be an issue in this context.

First, Affiliates and Trademark Licensees are both discrete sets of entities. Affiliate, as defined, is limited by its corporate association with an entity it is controlled by or which it controls. As a result, Affiliates are a definable and discernible group of entities, sharing the same corporate goals (and liabilities) and concerns for protection of their trademark rights. Likewise, Trademark Licensees are a narrow group of entities with formal contractual relationships with the trademark holder.

Second, trademark holders have an overarching interest in protecting the integrity of their marks that will mitigate against misuse by Affiliates/Licensees and against overexpansion of this group, and thus, potential consumer confusion/harm or dilution of the trademark. Whereas some have commented, for example, that a brand owner could exploit its .Brand TLD and exemption from the Code of Conduct and extend a license to unrelated parties with a desire to use the .Brand TLD, hypothetical scenarios such as these are highly unlikely in the Committee’s estimation, as brand owners have made significant investments in promoting their brands and the incremental revenue from these types of licenses is not worth the cost of dilution or other associated harms. In the unlikely event that fringe players sought to profit from this type of scheme, as provided in the second paragraph of Specification 13, ICANN has the authority to take remedial action at any time. Therefore, for all the above reasons, we do not believe that inclusion of Affiliates or Trademark Licensees in the definition of .Brand TLDs creates any discernible risk of “gaming.”

Moreover, the limitation in 5.1(ii), that only the Registry Operator, its Affiliates, or Trademark Licensees can register domain names and control the DNS records (i.e., point the domain name to a website) associated with domain names at any level in the TLD, coupled with the required annual compliance reviews that must be performed by the party ultimately responsible for the TLD – the Registry Operator – and public posting of the review results, will protect against any risk of a loss of centralized control, as well as provide oversight against “gaming”. For these reasons, the Committee disagrees with the commenter opposed to including Affiliates in Subsections (d) and/or (f) unless the definition of “Affiliate” excludes entities that have been granted a trademark license only or mainly for the purpose of allowing use of the .Brand TLD.

¹ See comments from Key-Systems, Inc., available at: <http://forum.icann.org/lists/comments-spec13-06dec13/msg00023.html>

In addition, the Committee believes that this proposal invites a difficult-to-apply evaluative standard and unnecessarily creates artificial boundaries precluding, for example, new corporate subsidiaries from advancing the objectives of the TLD.

Finally, the Committee notes that the inclusion of Trademark Licensees also serves the important purpose, consistent with ICANN's goal for the New gTLD Program, of fostering innovative uses for TLDs. Permitting .Brands greater flexibility to showcase partnerships, co-branded initiatives, cooperative charitable efforts, and the like, will allow brand owners to deploy their TLDs as more than static channels for the promotion of product lines, to the benefit of Internet users.

ICANN discretion to consider other evidence

In its previous comments on Specification 13, the Committee recommended removing the requirement in paragraph 5.1(i)a that a national registration for the trademark corresponding to the .Brand TLD must, if eligible, also be registered with the Trademark Clearinghouse ("TMCH"). Whether or not registration with the TMCH remains one of the elements required for satisfaction of Specification 13, the Committee believes that, to avoid any inference that Specification 13 is the only way to qualify as a .Brand TLD, ICANN should expressly acknowledge that it retains the discretion to consider other evidence in deciding whether a gTLD qualifies as a .Brand TLD and is therefore entitled to seek application of Specification 13.

There are various reasons why a Registry Operator may have filed for a new gTLD string for which it has not obtained a national registration (and therefore cannot register with the TMCH) or made the decision not to record its registration with the TMCH, notwithstanding that the applied-for TLD string is entitled to trademark protection under applicable law.²

Thank you for considering our views on these important issues. Should you have any questions regarding our submission, please contact INTA External Relations Manager, Claudio Di Gangi at: cdigangi@inta.org

² For example, if an applicant's core mark is a two-letter ASCII mark (e.g., AA, A&E, AF, B&Q, BA, BP, BT, C&A, D&G, EA, EE, FX, GE, GM, GQ, H&M, HP, KB, KG, LG, M&M, M&S, MG, P&G, P&O, UA, VA, VW, XE), the corresponding TLD string was unavailable as an option because applicants could only apply for TLD strings in ASCII that were composed of a minimum of three characters. Such applicants may therefore have had no option but to apply for a TLD string comprised of their two-letter mark together with an additional element, such as the word "company". Other types of evidence showing establishment of trademark rights corresponding to the .Brand could include materials such as, but not limited to, registrations obtained after the filing of the gTLD application, consumer surveys, third party brand rankings and evaluations, and judicial decisions. Other applicants may have applied for new TLDs for the precise reason of avoiding the types of defensive registrations facilitated by the Clearinghouse, and as such have made a conscious choice not to participate in the Clearinghouse.

About INTA and the Internet Committee

INTA is a 136 year-old global not for profit association with more than 5,700 member organizations from over 190 countries. One of INTA's goals is the promotion and protection of trademarks as a primary means for consumers to make informed choices regarding the products and services they purchase. During the last decade, INTA has also been the leading voice of trademark owners within the Internet community, serving as a founding member of the Intellectual Property Constituency of the Internet Corporation for Assigned Names and Numbers (ICANN).

INTA's Internet Committee is a group of over 200 trademark owners and professionals from around the world charged with evaluating treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet, and unfair competition on the Internet, whose mission is to advance the balanced protection of trademarks on the Internet.