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**TESTIMONY**

**OF**

**RICHARD HEATH**  
**PRESIDENT**  
**INTERNATIONAL TRADEMARK ASSOCIATION**

**“THE EXPANSION OF TOP LEVEL DOMAINS AND ITS EFFECTS ON  
COMPETITION”**

**BEFORE THE**

**SUBCOMMITTEE ON COURTS AND COMPETITION POLICY**  
**COMMITTEE ON THE JUDICIARY**  
**U.S. HOUSE OF REPRESENTATIVES**

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Thank you, Mr. Chairman and Members of the Subcommittee, for this opportunity to offer the perspective of trademark owners on the introduction of new gTLDs to the Internet's domain name system. The International Trademark Association (INTA) welcomes the Subcommittee's and the Judiciary Committee's oversight of this important issue, and is appreciative of initiatives such as this hearing and the September 15th letter from Representatives Smith and Coble posing several key questions to the Internet Corporation for Assigned Names and Numbers, otherwise known as ICANN.

INTA is pleased to provide its views during this critical juncture in the evolution of the Internet, and during a defining moment in the ongoing transition of the management function of the domain name system to the private sector.

INTA has long supported the goal of private-sector-led management of the naming and addressing system of the Internet. INTA actively participates within ICANN and contributes to its processes and strongly supports the model of multi-stakeholder bottom-up coordination of the Internet's unique identifiers.

Originally, the Internet we are all familiar with was developed to enhance U.S. national security in an ever-changing technological world. Today, the Internet connects businesses, consumers and resources in ways never before imagined. Since the public's first use of the Internet, the medium has become an essential tool of communication, information and commerce. In this modern age of globalization, ensuring the stability, security and reliability of the Internet remains more important than ever to ensure our prosperity and security.

In the debate over the future of the Internet, trademark owners have consistently sought sound policies that promote the stability and security of the domain name system (DNS); ensure the integrity of domain names and their administration; and respect intellectual property rights and consumer interests in policy outcomes.

INTA has also long supported the principle that, in line with its core values, ICANN should promote competition and innovation in the DNS *only to the extent practicable and beneficial to the public interest.*

INTA supports a market structure that encourages innovation in the domain name space; after all, trademark owners are at the forefront of creating innovation in so many ways that benefit consumers on the Internet. But the call for innovation should not come at the expense of the public's interest, and should never jeopardize a secure and stable domain name system.

The correct time for the introduction of new gTLDs is when it can be clearly demonstrated that the introduction will not cause instability to the domain name system, and will produce improvements in consumer welfare that outweigh the cost

and harm that will affect Internet users and other stakeholders, including owners of intellectual property. INTA believes ICANN's new gTLD program has not yet made this showing.

An unlimited expansion of gTLDs will require brand owners to protect their brands in a large number of new unrestricted domain name spaces where domain name registrations will be open to any registrant on a first-come, first-serve basis. While some proponents of unlimited new gTLDs expect to profit from the increased volume of domain name registrations, consumers are certain to face increased levels of confusion about the goods and services they seek on the Internet caused by the dilution and infringement of intellectual property in an expanded generic domain name space.

As our testimony will expand upon, abuses of the domain name system remain at extremely high levels, due in part to ICANN's ineffective management of the Internet's naming and addressing system. INTA believes that an introduction of new gTLDs may offer potential benefits to consumers only if new gTLDs are introduced in a justified, timely, and responsible manner based on an empirical understanding of the realities of the domain name marketplace. Otherwise, INTA believes that unproductive and harmful uses of the domain name space will outweigh any potential benefits that may flow to the public.

### **Conflicts Between Trademarks and Internet Naming**

In 1998, the U.S. Department of Commerce issued a policy statement on the management of Internet names and addresses, now referred to as the "DNS White Paper." In the White Paper, the United States government highlighted the conflicts between trademarks and Internet names. In particular, the White Paper noted that when a trademark is used as a domain name for commercial purposes without a trademark owner's consent, consumers can become confused about the source of goods and services being offered on the Internet. This user confusion misleads and harms consumers, tarnishes and harms brands, and results in decreased confidence in the Internet as a reliable instrument of legitimate commerce and communication.

Every new unrestricted generic domain name space that is created offers fresh opportunities for the unauthorized use of trademarks. This compels trademark owners to defensively register their trademarks to prevent consumer confusion about the origin and source of the goods and services they seek on the Internet.

Once registered in bad faith, misleading web addresses are used to perpetrate fraud, crime and a variety of harms, including the distribution of harmful counterfeit products to consumers, such as fake drugs and unsafe electrical equipment. Over the past several years the Internet has also witnessed a record number of cases of phishing attacks, cybersquatting, and malware attacks, all designed to inflict harm on consumers through the misappropriation of brand names.

Such threats to health and safety have a pervasive effect on the user experience of the Internet. For example, a study in 2006 by the British Government found 21% of UK respondents felt at risk from online crime versus only 16% who were concerned about physical burglaries. This year's "Get Safe Online" study found that 44% of small businesses had been the victims of some form of online crime, and that the fear of online crime has deterred 14% of British citizens from using the Internet altogether.

### **ICANN's Management of the DNS**

Following the issuance of the White Paper in 1998, the U.S. Department of Commerce initiated a transition towards private-sector-led management of the Internet's DNS by entering into a Memorandum of Understanding (MOU) and later a Joint Project Agreement (JPA) with the newly formed ICANN.

ICANN's responsibility as the Internet's central coordinator of its unique identifiers – domain names and IP addresses – means its governance of the domain name system influences how trademarks and Internet names interrelate and coexist. The expectations of industry are that ICANN will administer the DNS in an accountable manner that minimizes conflicts, while balancing the needs of all stakeholders and the interests of the public in maintaining a secure and stable domain name system.

### ***Abusive Registrations***

To address the trademark dilemma identified in the White Paper, shortly after its formation, ICANN, in consultation with the World Intellectual Property Organization (WIPO), created a Uniform Domain Name Dispute Resolution Policy (UDRP), to address trademark conflicts with Internet names. Over the past decade, the UDRP has been used successfully by trademark owners around the world to resolve conflicts between trademarks and domain names that were registered and used in bad faith to deceive consumers.

While the UDRP has assisted trademark owners in recovering specific infringing domain names, the dispute process has not curtailed the level of abuse in the gTLD space. Even with the implementation of the UDRP and national laws aimed at cybersquatting, such as the Anticybersquatting Consumer Protection Act (ACPA), passed by Congress in 1999, domain name conflicts and abusive registrations continue to soar in record numbers.

Despite the fact that WIPO, one of several international dispute resolution service providers offering dispute services under the policy, has adjudicated over 15,000 UDRP-based cases, involving over 27,000 domain names, and has administered over 15,000 cases under other registry-specific dispute policies, abuse registrations of domain names continue at high levels.

The extent of the harm can be seen in the number of infringing domain names that are registered daily targeting consumers of all sectors of industry.

INTA believes ICANN must improve its management of the DNS before the tide of abuse identified in the White Paper, can be stemmed.

The situation is caused in part by the ease, speed, and low cost of registering, assembling and monetizing domain names to infringe intellectual property and commit other types of DNS abuse. Coupled with new difficulties in identifying and taking action against infringers on the Internet caused by the growth of proxy services that hide the identity of the owner of the domain name, fraud and other crimes on the Internet continue to target consumers. Meanwhile, corporations and especially small companies and others -- struggling through the recession in the United States and the global financial crisis -- continue to face severe difficulties coping with the proliferation of DNS-related abuse and crime. These problems will only get worse with an unlimited amount of new unrestricted gTLDs.

### ***Contract Compliance***

In lieu of government regulation, private-sector management of the DNS relies upon a system of contracts between private parties to govern the operation of the domain name system. The success of the entire ICANN experiment depends on whether these contracts are adhered to and enforced.

While ICANN has taken steps recently to improve its performance in this area, including increasing the size of its compliance staff and budget, dedicated resources in this area remain far too few. ICANN must do more to develop a strategic approach to compliance and to raise the profile of these issues within the organization and with its contracted parties and the public.

The problem of abusive registrations has been compounded by ICANN's inability to enforce its contracts with its registrars, and INTA believes that substantial work remains before ICANN's governance of these relationships provides trusted security and stability to the domain name system.

Of central concern is ICANN's inability to compel registrars to maintain a current and accurate database of contact information on registered domain names. Open access for trademark owners to information contained in the Whois database is necessary to locate and contact the true owners of problematic domain name registrations and web sites, and to swiftly institute legal action to prevent the abuse of intellectual property, Internet fraud and other schemes that confuse and deceive Internet consumers. The lack of an up-to-date Whois system has frustrated the attempts of trademark owners to enforce their rights on the Internet and protect consumers from targeted abuse.

Unfortunately, it has become a disturbingly common practice among domain name registrars to ignore omissions and misstatements in registrant information and, more recently, to promote the use of third-party proxy services that cloak registrant data.

Over the years, several ICANN-accredited registrars have themselves been found liable for engaging in fraudulent domain name abuse, yet ICANN has yet to take enforcement action on this specific issue or formulate a standardized policy for addressing the situation in the future.

ICANN's inability to maintain an accurate Whois system will cause continuing problems in a drastically expanded domain name space.

### ***ICANN Governance***

Another issue affects ICANN's performance – ensuring adequate commercial sector representation within its decision making. This has particular relevance to a successful introduction of new gTLDs.

Since ICANN was formed over a decade ago, commercial Internet users have sought a balanced representational structure that sufficiently accounts for their large stake in domain name system policies and outcomes.

Achieving adequate representation within ICANN has been an unsuccessful quest for the business community. In light of several ICANN restructuring efforts, the most current still under implementation, the business community has been further marginalized in ICANN decision making.

The result of this inadequate representation in governance is the formation of policies that do not address the basic concerns of intellectual property rights owners, including the subject of this hearing – the proposed rollout of an unlimited number new gTLDs, which will place additional costs and burdens on the IP community.

In particular, it has been noted that ICANN's new gTLD process will disproportionately disenfranchise and harm small businesses and companies from developing countries who are unfamiliar or unable to meet the substantial costs of the new gTLD program. In general, INTA believes ICANN has not done enough to prepare the community for the impact of its processes.

The burdens on trademark owners of functioning under a poorly coordinated domain name system is significant, since in most of existing gTLDs managed by ICANN, the costs of addressing and mitigating the harms of IP-related domain name system abuse fall almost entirely upon the private sector business community.

In sum, current ICANN policies and enforcement efforts to date have been inadequate in dealing with the increase in abuses of the domain name system, which have the following pernicious effects:

- an increase in consumer confusion about the goods and services they seek through e-commerce;

- redirection of consumers to pornographic and other undesirable sites;
- threats to public health and safety through websites selling counterfeit products;
- propagation of various kinds of malicious software that spread viruses, SPAM and other forms of malware designed, inter alia, to steal personal identifying information;
- a decrease in user confidence in the Internet marketplace;
- tarnishment of brands and damage to the reputation of legitimate businesses; and
- an increase in business costs due to defensive registration, Internet monitoring and legal actions, much of which must be passed on to consumers.

It is against this background that ICANN now plans to introduce an unlimited number of new gTLDs.

#### **Questionable Positive Impact of New gTLDs on Competition**

In setting DNS policy, it is overly simplistic for ICANN to assume, without empirical support, that simply adding registrars and registries and unlimited gTLDs will inherently increase competition and public welfare. Increasing competition in a complex economic model like the domain name system requires that policies be formed on the basis of factually based research and analysis of the marketplace.

While ICANN relies upon the idea that competition will be enhanced through the expansion of new gTLDs, it has yet to commission any independent, empirical research or study to determine how new gTLDs should be introduced to maximize the likelihood that competition and increased consumer benefits will result.

INTA believes this work should have preceded the decision to introduce an unlimited number of new gTLDs, as only then would ICANN have the empirical data to support its decision and a full appreciation of its consequences.

This is particularly essential since there appears to be scant evidence of increased consumer welfare, competition or innovation as a result of prior rollouts of gTLDs. Further, the evidence suggests that significant costs were incurred in terms of trademark protection and consumer confusion.

For this reason, in comments made in December 2008, the National Telecommunication and Information Administration (NTIA) called for ICANN to commission an economic study to test whether the addition of new gTLDs fosters competition in a manner that benefits consumers. Although ICANN received some

analysis on these issues by an economic consultant it retained, his report which has already been heavily criticized by various constituencies, does not replace an independent empirical study of the domain name registration marketplace. INTA believes that ICANN should not finalize its policy for the creation of new gTLDs without understanding the beneficial and harmful effects of such actions on consumers and on competition.

### **Addressing the Overarching Issues**

The critical issue for brand owners, consumers and other Internet users is to ensure that the introduction of any new gTLDs is responsible, deliberate and justified. Therefore, we believe that ICANN should be held to the stated intention of its Board to resolve the overarching issues of trademark protection, the potential for malicious conduct, Internet security and stability, and top-level domain demand and economic analysis before any additional gTLDs are introduced to the Internet.

With respect to the first overarching issue, trademark protection, the ICANN Board's initiative to form the Implementation Recommendation Team (IRT), while a positive response to the many comments critical of the proposed rollout of new gTLDs, should have preceded, and not followed, ICANN's decision to move forward with the rollout.

Despite an extremely tight deadline, the IRT did make very useful recommendations in its final report, and INTA offered detailed comments to ICANN, supporting the ICANN recommendations in principle (Exhibit A). But whether the IRT recommendations are sufficient and cost-effective, particularly given ICANN's intention to introduce an unlimited number of gTLDs, has yet to be demonstrated. In fact, related process questions, including the ICANN Board's refusal to receive briefings from the IRT at its most recent public meeting in Sydney, has caused many community members to question ICANN's management of the new gTLD process and its commitment to ensuring the IRT's and other community members' recommendations on trademark protections will be given adequate consideration in the new gTLD program.

### **INTA Recommendations**

Trademark owners around the world, who are already overwhelmed in dealing with trademark infringement in the domain name system, will face much greater burdens and costs in protecting their trademarks across an exponentially larger number of new gTLDs.

In light of ICANN's track record in contractual compliance, and its inability to stem the abuse of trademarks in the DNS in a substantial way, INTA believes that new trademark protection mechanisms must be developed and tested and existing DNS management functions improved before new gTLDs are introduced.



Regardless, the introduction of new gTLDs must be based on empirical economic research so that ICANN can fashion the introduction of new gTLDs in a manner that maximizes consumer welfare and increases competition, while harm to intellectual property owners and consumers is avoided. INTA encourages ICANN to immediately commence this work and implement the outcomes into the new gTLD program.

Without mechanisms that are proven to be effective, a dramatic expansion of gTLDs guarantees that those who currently perpetrate and profit from widespread consumer fraud in the domain name system will seize this opportunity to further expand their schemes to the detriment of brand owners and consumers.

In support of this view of the harm that will be caused by the new gTLD initiative as presently structured and on the timetable that ICANN has in place, the Board of Directors of INTA passed a resolution (Exhibit B), opposing the currently structured introduction of an unlimited number of new gTLDs and the introduction of any new gTLDs until the four overarching issues that have been identified are resolved. Following the Board resolution, INTA sent a letter to ICANN (Exhibit C), raising these concerns about the new gTLD process.

### **The Transition**

INTA supports the reaffirmation of the historical relationship between the United States government and ICANN as embodied in the current Joint Project Agreement, to ensure continued US government stewardship over these important Internet resources.

INTA continues to believe that the issues identified in the mid-term review of the JPA need to be resolved, including Representation, Contractual Compliance, Accountability, and TLD Management, before the transition to private sector led management can be completed. ICANN's commitment to these issues should be formalized in any new agreement with the US government. INTA informed the NTIA of its position on this issue in a letter to its new director Lawrence Strickling (Exhibit D).

INTA encourages ICANN to continue to engage with the community and commence work on the remaining outstanding issues before new gTLDs are introduced. INTA looks forward to working with ICANN, the Department of Commerce and Congress to continue its contribution to the development of sound policies that protect the legitimate interests of all stakeholders.

Thank you Mr. Chairman.

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The International Trademark Association (INTA) is a not-for-profit membership association of more than 5,800 corporations, law firms and other trademark-related

businesses from more than 190 countries throughout the world. INTA is headquartered in New York with offices in Brussels and Shanghai. Its membership crosses all industry lines and sectors, from manufacturers to retailers to service providers, and is united in the goal of supporting the essential role trademarks play in promoting effective national and international commerce, protecting the interest of consumers, and encouraging free and fair competition.

**EXHIBIT A**

Comments of the  
Internet Committee of  
the International Trademark Association  
on the Implementation Recommendation Team (IRT) Report

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## Introduction

Numerous comments on the Draft Applicant Guidebook (DAG) for the new gTLD application process focused on consumer and intellectual property ("IP") protection. The IRT's formation by the ICANN Board highlights the significant need for trademark protection in the Internet DNS and for the establishment of additional rights protection mechanisms in the introduction of new gTLDs. These mechanisms must address, in particular, two issues that arise in the context of new gTLD applications: 1) trademark rights must be protected in the evaluation of new gTLD applications and 2) critically, rights protection mechanisms for the launch and post-launch phase of a new gTLD's introduction must scale to the anticipated volumes of abusive registrations in new gTLDs, as well as the increased aggregate volume of abuse across new and existing gTLDs.

With this background in mind, the Internet Committee of the International Trademark Association (INTA) commends the IRT members who have clearly invested a tremendous amount of hard work and thought in a short period of time in developing the IRT's recommendations. We are pleased to endorse the mechanisms proposed in the IRT report for protecting trademarks and consumers in the introduction of new gTLDs.

While the IRT recommendations are very constructive, in our preliminary comments,<sup>1</sup> and in the discussion below, we offer suggestions for further measures that we believe should be taken to make the recommendations of the IRT report stronger, more effective, less costly and less subject to "gaming."

However, our endorsement of these mechanisms, including our recommended enhancements, is not, we hasten to add, tantamount to saying that the IRT's recommendations resolve the overarching concern with protecting trademarks in the new gTLD launch. The Internet Committee continues to believe that this threshold question can not be adequately answered until ICANN completes a comprehensive economic study of the domain name registration market. Such a study would, *inter alia*, provide the data

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<sup>1</sup> Preliminary Comments from the Internet Committee of the International Trademark Association on the Draft Implementation Recommendation Team (IRT) Report, <http://forum.icann.org/lists/irt-draft-report/msg00029.html>.

necessary to assess the potential benefits and costs to consumers of introducing new gTLDs.

The Committee believes that the economic study can inform the community and ICANN on questions fundamental to the introduction of any gTLDs, e.g. whether gTLD registries possess unacceptable market power. Absent the facts gained from such an economic study, the Committee finds it impossible to access, in a vacuum, whether the IRT recommendations adequately address the overarching issue of trademark protection in the introduction of new gTLDs.

## **Possible Improvements to the IRT Recommendations**

As mentioned above, while supporting the IRT recommendations, we would like particularly to emphasize the importance of three of the proposals:

- **The Uniform Rapid Suspension System (“URS”)** – This proposal may be the solution available to the largest numbers of trademark owners to provide quick relief for the prevention of abusive registrations and consumer confusion.
- **The “Thick” Whois Requirement** – Simplifying access to domain ownership information is critical to promoting transparency and confidence in the Internet marketplace. That the thick registry model is an existing, proven technology only makes it more important to implement in the new gTLD space. We are encouraged to have seen ICANN adopt the requirement for thick Whois service in the portions of the DAG III that have been published for comment.
- **The IP Clearinghouse** – This repository for information on intellectual property rights provides a critical platform for increasing the scalability of all other rights protection mechanisms, including potentially other mechanisms not specific to the new gTLD launch, such as the UDRP or claims of reasonable evidence of actionable harm under RAA 3.7.7.3.

In the case of each of the recommendations in the IRT report, although we made comments designed to improve it in our preliminary comments, our purpose here is merely to point out why each mechanism is critical to the overall “tapestry” of protection envisioned by the IRT report, and reiterate any suggestions that might improve the proposal.

### ***Uniform Rapid Suspension System (URS)***

The proposed URS is an important remedy for trademark owners. As the proliferation of new gTLD registries greatly increases the scale of abusive domain name registrations, the ability to put a quick end, at minimal cost, to clear cases of cybersquatting is critical. In particular, the following features are welcome:

- A) the incorporation of a low cost pre-registration system (so the brandowner’s trademark is “on file” for future disputes – but see note 5 below);
- B) the ability to initiate the URS by filling out a simple form;
- C) the opportunity for the Complainant to apply a URS proceeding to multiple registrants if they are related, e.g., as shell companies.

- D) the fact that fees can be lower for batches of domain names owned by the entity;
- E) the fact that names are locked as soon as the URS is initiated;
- F) the provision of notice to the registry operator within 24 hours of filing the complaint with the third party provider;
- G) the fact that the third party provider works on a cost-recovery basis; and
- H) the inclusion of a limited 'loser pays' system, where the registrant of 26 or more domains bears the filing fee if it answers the complaint and loses.

The URS will prove particularly useful in cases involving numerous domain names, particularly ones displaying paid advertising, where the trademark owner's interest is not necessary in owning the domains but merely in ceasing the registrant's abusive use of the domains. Given the expected volume it will not be feasible to bring UDRP proceedings in all new domains. Thus, without the URS, the end result would be the persistence of sites that profit by confusing and diverting consumers from the legitimate brand owner whose trademark is reflected in the domain, to infringers and competitors.

However, we continue to urge that the following issues clarified or revised:

1. *Transfer of domain or domain suspension on ServerHold should be indefinite.* – The Committee continues to believe that the URS should allow for the transfer of domains as a remedy. However, in perhaps the most significant change that is needed to the IRT's recommendations, if the URS does not provide for transfer, the suspension of the domain should at least last indefinitely, or so long as the successful Complainant continues to periodically re-verify the validity of its own trademark rights (such as through the periodic re-verification process for the trademark's data in the IP Clearinghouse). Otherwise the URS will suffer from the same malady that saddles trademark owners with expensive portfolios of domains that were acquired defensively to eliminate consumer confusion but which have no business use—that serial enforcement actions are required over the same domain as it expires and is released. Instead, if the Complainant will not have the option of obtaining the transfer of the domain, it should at least be placed on indefinite ServerHold with no expiration.
2. *The Respondent Should Bear the Burden of Proving it has Legitimate Rights in the Domain.* – By allowing the registrant merely to supply "evidence" that they have *some* legitimate right in the domain name, and by allowing the registrant to answer at any time during the registration, the IRT invites registrants to delay the deactivation or transfer of the name by filing deficient or fabricated answers.
3. *Examination factors (trademark examination).* – The requirement that the complainant's registered trademark must have been issued by a jurisdiction that conducts substantive examination of trademark applications should make clear that it only requires examination on absolute grounds (of descriptiveness, functionality, etc.). While the IRT points out that reliance on registrations that undergo no substantive evaluation resulted in gaming the system during, for example, the .eu

launch,<sup>2</sup> this concern does not require relative examination, and requiring it would, as an example, render one of the world's most meaningful trademark registrations, a European Community Trade Mark (with an opposition system but no examination on relative grounds) an improper basis for a URS proceeding.

4. *Examination factors (standard of proof).* – Finally, as mentioned in our preliminary comment, we continue to prefer a “preponderance of the evidence” standard. We are very concerned that respondents will be able to game the system and that the barest scintilla of evidence will defeat a finding of entitlement if the standard is clear and convincing evidence. This is particularly true since, as with the UDRP, the “lack of legitimate interest” factor requires proving a negative proposition in a way that can rarely be done in more than a presumptive manner.

### *Requiring a “Thick” Whois Model in New gTLDs*

We strongly support the IRT's proposal to require all new TLD registries to implement a “thick” Whois model, and commend ICANN for adopting this recommendation in the latest DAG amendments.<sup>3</sup> Simplifying access to accurate and reliable contact details for the true owner of the domain name registration is necessary to prevent abuses of intellectual property and to protect the public by preventing consumer confusion and consumer fraud in the Internet marketplace. INTA supports open access to accurate ownership information for every domain name in every top-level domain registry, for addressing legal and other issues related to the registration and use of the domain name. (See: INTA Board Resolution. Continued Open Access to the Whois Database. <http://www.inta.org>)

Even though thick Whois is not a novel idea, this should not in any way diminish its importance. The fact that the thick registry model is an existing, proven technology that registrars and registries already implement in every gTLD registry except .com, .net, and .jobs suggests that there is no reason not to implement it in the new gTLD space. Assuming large growth in both the number and geographic diversity of registrars, registries and registrants, accurate and thick Whois is a critical requirement if the gTLD space is expanded. Certainly, the public interest in easier access to domain ownership information that survives a registrar's failure or non-compliance should outweigh any interest by registrars in maintaining proprietary control over the data. Likewise, the availability of the data through other sources (registrars, and other sites displaying the data via Port 43) belies the assertion that the availability of the very same data from the registry's database implicates any protected privacy rights.

### *The IP Clearinghouse*

The IP Clearinghouse performs a purely administrative function of collecting information on asserted intellectual property rights. Nevertheless, as mentioned above, one of the main concerns that trademark owners have with the new gTLD rollout is that existing remedies such as the UDRP and the U.S. ACPA are too expensive to scale across the anticipated

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<sup>2</sup> “In addition, reliance on registrations issued immediately upon application without substantive examination on absolute or relative grounds may result in gaming of the system, as seemed to occur during the introduction of .eu domain names, for example.” Final Report, n.38.

<sup>3</sup> Applicant Guidebook: Public Comments Analysis and Revised Excerpts, <http://www.icann.org/en/announcements/announcement-2-31may09-en.htm>.

volume of abusive registrations. Therefore, the IP Clearinghouse is a critical platform for reducing the cost and time involved: a) for ICANN's contracting parties to implement rights protection mechanisms; and b) for intellectual property owners to obtain meaningful redress under other existing mechanisms (such as the UDRP or RAA 3.7.7.3, to the extent they can be adapted to take advantage of the Clearinghouse) or the IRT's other proposed mechanisms.

### *The Globally Protected Marks List ("GPML")*

The Internet and, in particular, the domain name system, present unique challenges – both from the top level and the second level. Creating a list of protected marks that have global legal recognition and will be acceptable for blocking purposes by both trademark owners and Internet users is a challenge, one on which we believe the IRT has made a good start. We note that the IRT, in its final report, adopted several revisions that we proposed in our preliminary comments.<sup>4</sup> However, because the IRT has not finalized the numerical criteria for the GPML, we must reserve judgment. Nevertheless, it may be useful to reiterate why we believe the framework for a GPML is sound, and offer input to guide the attempt to settle on numerical criteria.

#### General Concerns with a GPML

Once again, we appreciate the IRT's revisions to distinguish the criteria and purpose for a "globally-protected" marks list from a list purporting to list "famous" or "well known" marks. This is significant because whether a mark is famous or well-known is a question of fact, and not of law, at a particular point in time and in a specific geographical region. In any attempt to list globally famous marks, it would be necessary—but extremely difficult—to take into account a conglomeration of laws and individual and corporate rights to be adopted by potentially all courts and mediation bodies simultaneously. The mark must be recognized by not just trademark owners and experts, but individuals with no trademark expertise whatsoever.

Focusing on the number and diversity of countries in which a mark is protected appears to be the best approach because it limits the list to only those marks that can obtain protection across a broad range of national laws and rights. The number and geographic diversity of trademark registrations is also a good indicator in light of the limited purposes for which the IRT proposes to use the GPML: a) to block second-level domain registrations that are an "identical match" for the GPM, and b) to subject new gTLD applications to comparison with the GPM at the string review stage. The former use requires near identity of the marks (hyphens and special characters aside), and the latter involves a "visual," "aural" and commercial impression (meaning) comparison. Neither of these tests takes into consideration the goods and services of the parties. Therefore, we agree that the criteria should be stringent because, if the bar is set too low, the GPML may unfairly lock out legitimate, but smaller trademark owners from obtaining domain names reflective of their own trademarks, on a global basis. That will occur irrespective of whether the owner of a listed GPM has a commercial interest in a particular domain name (or indeed if it is entitled to apply for a domain name in a specific registry due to geographic or industry requirements,

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<sup>4</sup> These revisions include eliminating all references to the list as even purporting to compile "well known" or "famous" marks," as opposed to merely ones that are "globally protected," and clarifying that the GPML should not have any precedential value in any dispute or resolution.



for example), or whether its interests are subservient to a rights owner with prior or superior rights in a particular jurisdiction or jurisdictions. Therefore, the aim of the GPML should be to encompass all those marks that are indeed so "globally protected," that few if any legitimate rights will be affected.

#### Qualitative Comments on the GPML Criteria

With these concerns in mind, in settling on particular GPML criteria, it is critical to choose criteria that do not favor one region or one legal regime over another,

1. **Number of countries versus registrations** – We appreciate that the IRT's final report places greater emphasis on the number of countries in which a mark is protected. However, upon further review, we suggest that the criteria can both be simplified and made more equitable through a two-pronged test for global protection. A trademark owner would need to satisfy either one of the two established criteria in order for the trademark to be included in the GPML.
2. One prong would focus **exclusively** on the number of countries (and the diversity of such countries) where a trademark is registered. In other words, we would suggest the criterion on the top of page 17 of the report be edited as follows:
  - Ownership by the trademark owner of [number] trademark registrations of national effect<sup>5</sup> for the applied-for GPM that have issued in at least [number] countries across all 5 ICANN Regions with at least:
    - [number] registrations countries in the North American region
    - [number] registrations countries in the European region
    - [number] registrations countries in the African region
    - [number] registrations countries in the Asian/Australian/Pacific region
    - [number] registrations countries in the Latin American/Caribbean region

We suggest this change because a number of arbitrary variations in national laws may result in marks protected in an array of countries being covered by drastically different numbers of registrations. For instance, some countries allow and even encourage<sup>6</sup> registrations that cover multiple classes of goods or services, while others require a single registration for each class. In other countries, marks in certain fields are more or less likely to be filed in single or multiple-class applications than marks in other fields.<sup>7</sup>

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<sup>5</sup> We agree with the comments in IRT footnotes 9, 10, and 11 on page 17, requiring that the mark be on the superior register, in countries with two registers, that design marks be counted, so long as the GPM is identical to the registration's textual elements, and that registrations of supernational effect be counted for every country in which the registration provides national protection, respectively.

<sup>6</sup> Most significantly, both the European Community Trade Mark (CTM) system and the Madrid System for the International Registration of Marks not only allows multi-class applications, but charge set fees for up to three classes of goods or services, encouraging applicants to apply for fewer registrations with broader coverage.

<sup>7</sup> For instance, the immensely broad Class 9 covers all manner of computer hardware and software, many electrical appliances—from toasters to televisions, while "coasters," may be classified in four different classes based on material (paper, leather, plastic or cloth). In addition, the U.S. practice of

3. The second prong would focus on the number of trademark registrations held across a minimum number of ICANN regions. This threshold reflects the reality that certain trademarks have acquired their global protection through a high-level of protection in a more concentrated geographic area. In other words, we would suggest the criterion on the top of page 17 of the report to be reflected as follows:
  - Ownership by the trademark owner of [number] trademark registrations of national effect<sup>8</sup> for the applied-for GPM that have issued across-in at least [number] of ICANN Regions with-at-least.
4. **Deadline for registration** – We also agree that there should be a deadline after which registrations would not be applicable, to prevent gaming of the top level and second level process. The deadline should allow possibility for new GPMs to be added to the list later, perhaps by being set to “roll” to a particular time period before relevant application deadlines.
5. **Principal URL Corresponding to Mark** – Requiring the second-level domain for the principal online presence to be identical to the trademark appears to be a reasonable standard.

#### Quantitative Comments on the GPML Criteria

In regards to the first prong of the Committee's proposed criteria, we will reserve comment on the precise number of countries in which a mark should be protected until the proposed numbers have been released. However, we encourage ICANN and the IRT, in setting the criteria, to take into account not only the number of countries and trademark offices that exist in the world (194 independent states,<sup>9</sup> albeit many of them lacking trademark service mark registers), but also the marketplace realities of global commerce. For instance, 90 or 100, or 120 countries may represent nearly half to less than two-thirds the number, but may represent all but a small percentage of economic activity. It may not be commercially reasonable to expect even the most globally-protected marks to be registered in more countries than this.

### *Other Top and Second-Level Rights Protection Mechanisms*

#### Post-Delegation Dispute Mechanism

In general, we agree that there should be a meaningful post-delegation review in cases where a registry, as a result of the string itself, or of the registry's policies, becomes a haven for cybersquatting. Furthermore, we applaud the IRT's agreement with our proposal to allow

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allowing advertising as a specimen of use for service marks but not trademarks for goods makes services more likely to be applied for in multiple class applications.

<sup>8</sup> We agree with the comments in IRT footnotes 9, 10, and 11 on page 17, requiring that the mark be on the superior register, in countries with two registers, that design marks be counted, so long as the GPM is identical to the registration's textual elements, and that registrations of supernational effect be counted for every country in which the registration provides national protection, respectively.

<sup>9</sup> See <http://www.state.gov/s/inr/rls/4250.htm>.

the third party to participate in the proceeding and press forward with the action against the registry if ICANN fails to find that the registry is in material breach of its agreement. Despite gains, the room that is left for improvement in ICANN's contractual enforcement suggests that the post-delegation procedure—and the participation of the complaining third party—may be necessary.

#### **Pre-Launch Second-Level Rights Protection: The IP Claims Service**

As outlined in the report, the IP Claims Service would provide the following benefits with respect to new second-level domains:

- *Identical match of a GPM: registration blocked, unless registrant can claim that use would be consistent with generally accepted trademark laws.*
- *Identical match of a mark in the IP Clearinghouse: notice provided to IP owner and registrant; registrant must then opt to register the domain and make additional representations and warranties.*
- *Non-identical match of a GPM: no effect.*
- *Non-identical match of a mark in the IP Clearinghouse: no effect.*

The IP Claims Service has the potential to be a very useful tool for most trademark owners, but, as discussed above, owners of marks in the IP Clearinghouse should be able to receive notices on matches of the trademarked term embedded within multi-word domains. In such cases, the registrant should similarly have to make the additional representations and warranties (particularly if the occurrence of false positives, like a hypothetical mark ERA within the domain parameters.tld can be avoided).

## **Additional Protections for Trademark Rights Beyond the gTLD Roll-Out**

As mentioned above, part of the over-arching trademark issue with the launch of new gTLD registries is that it will likely exacerbate issues that currently exist in the domain name system. Because those issues may apply to all gTLDs, they may not have been within the scope of the proposals the IRT was chartered to address. For the same reason, it may be most appropriate to address these issues through RAA amendments, the PDP process, or other means. Nevertheless, we mention them here as a reminder that actions outside the new gTLD launch process may be necessary to address trademark concerns with the proliferation of abusive registrations expected following the new gTLD roll-out.

### ***Proxy and Privacy Services***

The most prominent of these is the need to enforce and enhance the means of obtaining the name and contact information for the underlying user of a domain registered to a proxy service. We agree, with the IRT, when it urged ICANN to consider the “development of universal standards and practices for proxy domain name registration services.” As recently

pointed out by the IPC,<sup>10</sup> the spirit and language of RAA 3.7.7.3 is widely circumvented by registrar and registrant non-compliance. This issue affects all gTLD registries, and should be addressed on a holistic basis. Thus, we recognize that it may be outside the scope of the IRT's mandate, or even outside the scope of the new gTLD process. Nevertheless, providing meaningful trademark protection as the scale of domain name abuse escalates will require this issue to be addressed.

Thank you for considering our views on these important issues. If you have any questions regarding our submission, please contact External Relations Manager, Claudio DiGangi, at: [cdigangi@inta.org](mailto:cdigangi@inta.org)

### *About INTA and its Internet Committee*

The International Trademark Association (INTA) is a 131 year-old not-for-profit membership association of more than 5,500 trademark owners, from more than 190 countries, dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. Over the last decade, INTA has been a leading voice for trademark owners on the future of the Internet DNS, and it is a founding member of ICANN's Intellectual Property Constituency (IPC). INTA's Internet Committee consists of over 125 trademark professionals who evaluate treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet, and unfair competition on the internet and develop and advocate policies to advance the balanced protection of trademarks on the Internet.

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<sup>10</sup> Intellectual Property Constituency, Letter to Doug Brent Re: Circumvention of Registrar Accreditation Agreement Section 3.7.7.3, Apr. 24, 2009.

**EXHIBIT B**

# REQUEST FOR ACTION BY THE INTA BOARD OF DIRECTORS

## Creation of New gTLDs and Trademark Protection

8 July 2009

**ACTION REQUEST:** The Executive Committee requests that the INTA Board of Directors approve a Resolution concerning the proposed introduction of an unlimited number of generic top-level domain names (gTLDs).

### **PROPOSED RESOLUTION:**

**WHEREAS**, since the inception of the Internet Corporation for Assigned Names and Numbers (ICANN) in 1998, INTA, through its participation in the Intellectual Property Constituency, part of the governance structure of ICANN, and through written submissions to the U.S. Department of Commerce, to the U.S. Congress and to ICANN has consistently expressed concerns about the impact on rights holders and consumers of the expansion of the number of generic top-level domain names (gTLDs);

**WHEREAS**, despite strong industry concerns about the increase in rights violations (e.g., cybersquatting) and malicious behavior to defraud consumers (e.g., phishing, malware), ICANN increased the number of the original “legacy” gTLDs (.com, .edu, .arpa, .gov, .mil, .net, .org, .int) by seven gTLDs (.aero, .biz, .coop, .info, .museum, .name, .pro) in 2001 and by another six gTLDs (.asia, .cat, .jobs, .mobi, .tel, .travel) in 2005, which are administered by ICANN separately from the 248 two-letter country-code TLDs (ccTLDs);

**WHEREAS**, even with the implementation of such measures as the Uniform Dispute Resolution Policy (UDRP) and anti-cybersquatting laws, domain name abuse has proliferated and trademark owners continue to incur significant costs in enforcing their rights on the Internet;

**WHEREAS**, ICANN has yet to commission the independent, comprehensive economic study of the domain name registration market called for by its Board of Directors in 2006, which was to provide essential information and analysis relating to the exercise of market power by gTLD registry operators and to assess the likely impact of new gTLDs on rights holders, consumers and other Internet users and, accordingly, ICANN has demonstrated no adequate economic or public policy justification for the introduction of new gTLDs;

**WHEREAS**, despite this lack of justification, ICANN announced its intention in 2008 to drastically expand the generic domain name space by allowing for the unlimited introduction of new gTLDs;

**WHEREAS**, in its analysis of the public comments received on its new gTLD proposal, ICANN identified four overarching issues that needed to be addressed before it would introduce new gTLDs (Trademark Protection, Potential for Malicious Conduct, Security

and Stability issues, and Top-Level Domain Demand and Economic Analysis), none of which has been satisfactorily resolved;

**WHEREAS**, in response to continued industry concerns about the rollout of unlimited new gTLDs, ICANN in 2009 formed the Implementation Recommendation Team (IRT) which, under an extremely tight deadline, developed five proposals, which would in combination improve protection for trademark owners but whose ultimate success is untested and whose adoption by ICANN uncertain;

**BE IT RESOLVED** that additional generic top-level domains (gTLDs) should not be introduced unless and until ICANN resolves the overarching issues of trademark protection, the potential for malicious conduct, Internet security and stability, and top-level domain demand and economic impact; and

**BE IT FURTHER RESOLVED**, that any expansion of the generic domain name space must not be unlimited, but must be responsible, deliberate and justified.

#### **BACKGROUND:**

The domain name space on the Internet is constructed as a hierarchy. The space is divided into top-level domains (TLDs), with each TLD subdivided into second-level domains, and so on. Most TLDs with three or more characters are referred to as "generic" TLDs, or "gTLDs". There are currently twenty-one gTLDs. More than 240 national, or country-code, TLDs (ccTLDs) are administered by their corresponding national governments or through governmental arrangements with private parties.<sup>1</sup>

Policy discussions concerning how best to structure the top-level space of the Internet's addressing system have been ongoing since the Internet became open for commercial use in the mid-1990s.

In 1998, an independent Internet policy committee called the "gTLD-MoU" consisting of certain Internet stakeholders, proposed adding seven new gTLDs to the Internet.<sup>2</sup> Following the "gTLD-MoU" proposal, the United States government issued a "Green Paper" on Internet policy that proposed the addition of five new Top-Level domain names, with each new domain controlled by a separate registry.

INTA expressed concern with the "Green Paper" because the proposal for gTLD expansion was not formed through a consensus process of Internet stakeholders, and because the "Green Paper" appeared to pre-empt a responsibility that would fall under the purview of the yet-to-be formed private-sector-led coordinating body of the Internet's domain name system, which became the Internet Corporation for Assigned Names and Numbers (ICANN).

Following the reaction to the "Green Paper," the US government issued a revised policy document that became known as the "White Paper." INTA expressed satisfaction with

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<sup>1</sup> A Proposal To Improve Technical Management of Internet Names and Addresses" US Department of Commerce. 1998

<sup>2</sup> Establishment of a Memorandum of Understanding on the Generic Top Level Domain Name Space of the Internet Domain Name System (gTLD-MoU). February, 1997.

certain provisions in the "White Paper" that suggested that there should be a prudent regard for the stability of the Internet, and that the expansion of gTLDs should proceed at a deliberate and controlled pace, which would allow for the evaluation of the impact of newly introduced gTLDs.

It was within this context that ICANN was formed in 1998 through the initiative of the United States Department of Commerce, National Telecommunication and Information Administration. ICANN immediately took on the task of considering the introduction of new gTLDs.

Beginning with its comments on the "Green Paper," INTA has consistently urged that any expansion of the gTLD space be done slowly with careful analysis of the impact of such expansion. In congressional testimony in 1998, INTA stated that new gTLDs should only be added, if at all, after the completion of a study by WIPO and that if additional gTLDs were to be added, such expansion should be at a one-at-a-time pace.<sup>3</sup> In congressional testimony in 1999, INTA reiterated its "go-slow" approach on new gTLDs.<sup>4</sup>

Subsequently, ICANN formed a Working Group on new gTLDs, which concluded that ICANN should introduce new gTLDs, and that ICANN should begin the introduction of gTLDs with an initial rollout of six to ten new gTLDs, followed by an evaluation period.<sup>5</sup>

In 2001 based on the conclusions of the Working Group, ICANN introduced seven new gTLDs and in 2005 ICANN further expanded the generic domain name space by introducing six more new gTLDs.

In 2005, WIPO issued a report entitled *New Generic Top Level Domains: Intellectual Property Considerations*, where it expressed the view that thematic differentiation in the DNS, or within a gTLD, could, at least in theory, provide trademark owners and Internet users with benefits. However, WIPO stated that, "such differentiation works only when gTLDs are restricted to limited and clearly circumscribed specific purposes. The less this is the case, the less will further gTLDs enhance the possibilities for differentiation."<sup>6</sup>

In the report, WIPO stated that the introduction of new gTLDs could lead to user confusion on the Internet when one trademark owner registers its trademark in one gTLD and another owner registers an identical or similar mark in another gTLD. WIPO also stated that, "to the extent Internet users are unable (or become unaccustomed) to associate one mark with a specific business origin, the distinctive character of a trademark will be diluted."

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<sup>3</sup> Testimony of Anne Chasser. HEARING ON TRADEMARKS, ELECTRONIC COMMERCE, AND THE FUTURE OF THE DOMAIN NAME ASSIGNMENT SYSTEM. Committee on Commerce Subcommittee on Telecommunications, Trade, and Consumer Protection. June, 1998

<sup>4</sup> Testimony of Anne Chasser. Internet Domain Names and Intellectual Property Rights. United States House of Representatives Committee on the Judiciary Subcommittee on Courts and Intellectual Property, July, 1999.

<sup>5</sup> Report of Working Group C. March 2000

<sup>6</sup> *New Generic Top-Level Domains: Intellectual Property Considerations*. WIPO Arbitration and Mediation Center. 2005.



To avoid these negative effects the WIPO report observed that trademark owners would be likely to try to register their marks in all gTLDs, and referred to a report commissioned by ICANN that suggested that those new gTLDs that had either no or only minimal registration restrictions, had the lowest number of new domain name registrants and the largest share of registrants that already held over 100 domain names.<sup>7</sup> The WIPO report further observed that the data suggested that a large number of domain names were registered for defensive purposes, and "from an IP perspective, adding more open, i.e., unrestricted and unsponsored gTLDs, is more likely to increase the likelihood of confusion (and the cost for defensive or preemptive measures) than the scope for brand differentiation."<sup>8</sup>

While new gTLDs were added to the domain name system in 2001 and 2005, the original gTLDs, primarily .com, still constitute over ninety percent of all gTLD domain name registrations. However, this expansion, particularly with respect to unrestricted gTLDs, led to an increase in cybersquatting and frauds directed at consumers. These threats to the stability and integrity of the Internet and to the trademarks of companies around the world have required brand owners to expend significant funds to protect and enforce their trademarks in the new gTLD space so as to prevent consumer confusion and preserve the investment in their brands.

As a result of these concerns, in January 2006 the Intellectual Property Constituency (IPC), part of the ICANN governance structure, advocated that "any new gTLD should create a new and differentiated space and satisfy needs that cannot reasonably be met through the existing gTLDs."<sup>9</sup>

In October, 2006, the IPC urged that ICANN "adopt selection criteria that will bring about TLDs for which there is legitimate demand from communities that have not been well served by the current TLDs, and prevent a proliferation of TLDs that are likely to simply lie fallow, or to depend for their viability upon unproductive defensive registrations."<sup>10</sup> In June, 2007, IPC reiterated the need to "limit any new gTLDs to those that offer a clearly differentiated domain name space with mechanisms in place to ensure compliance with purposes of a chartered or sponsored TLD."<sup>11</sup>

While in 2006, the Board of Directors of ICANN announced the intention to commission a comprehensive, independent economic study of the domain name registration market that might have provided information and verifiable conclusions about the impact of the introduction of the additional gTLDs, the study was never undertaken.

In 2008, ICANN's Board adopted a new gTLD policy based on an unrestricted or unlimited expansion of the new gTLD space. In light of the numerous comments ICANN received on this expansion proposal focusing on consumer and IP protection concerns,

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<sup>7</sup> Summit Strategies International, Evaluation of New gTLDs: Policy and Legal Issues, July 10, 2004.

<sup>8</sup> New Generic Top-Level Domains: Intellectual Property Considerations. WIPO Arbitration and Mediation Center. 2005.

<sup>9</sup> IPC Comments on Terms of Reference for New gTLDs. January 31, 2006.

<sup>10</sup> IPC Initial Comments on the GNSO Recommendation Summary Regarding the Introduction of New Generic Top Level Domains October 20, 2006.

<sup>11</sup> IPC Impact Statement Regarding the Introduction of New gTLDs. June 7, 2007.

the ICANN Board requested that the IPC form an Implementation Recommendation Team (IRT) to address the trademark protection issues that will arise as a result of the proposed expansion.

The final report of the IRT, a thoughtful and innovative document prepared within the unrealistically short time frame established by ICANN, highlights the significant need for trademark protection in the Internet DNS and for the establishment of additional rights protection mechanisms in the introduction of new gTLDs. However, there is no indication that ICANN will adopt these mechanisms or that they will ultimately turn out to be cost-effective and successful in protecting brand owners and consumers.

As a result, given that the harm associated with the unlimited expansion of the gTLD space proposed by ICANN – cybersquatting, fraud and significant expense to brand owners – is not offset by any currently justified improvements in the stability, integrity or innovation of the Internet, the Executive Committee of the Board recommends that it should be INTA’s position 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.

**EXHIBIT C**



**International Trademark Association**  
*Representing Trademark Owners Since 1878*

**Alan C. Drewsen**  
*Executive Director*

July 24, 2009

Mr. Rod Beckstrom  
Chief Executive Officer and President  
Internet Corporation for Assigned Names and Numbers  
International Square  
1875 I Street, NW, Suite 501  
Washington, DC 20006

Dear Mr. Beckstrom:

I am the Executive Director of the International Trademark Association (INTA), a 131-year-old not-for-profit membership association of more than 5,500 trademark owners and professional firms from more than 190 countries. INTA is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce.

On behalf of the entire membership of the INTA, I wish to congratulate you on becoming the Chief Executive Officer and President of the Internet Corporation for Assigned Names and Numbers (ICANN). We wish you success as you lead ICANN's important mission of coordinating the Internet's unique identifiers and ensuring the stable and secure operation of the Internet's domain name system.

Since the Internet was first opened for commercial use, INTA has been active in the deliberations concerning the introduction of generic top-level domains (gTLDs) to the Internet. INTA has supported ICANN in its work as the private-sector led coordinating body of the domain name system and is a founding member of the Generic Names Supporting Organization's (GNSO) Intellectual Property Constituency (IPC). We have worked over the years to advance sound policies that address the legitimate needs and concerns of commercial Internet users and the public.

It is in this spirit of cooperation and constructive contribution that INTA approaches the current debate over ICANN's planned introduction of an unlimited number of new gTLDs to the domain name system. INTA believes that the critical issue for brand owners, consumers and other Internet users is to ensure that the introduction of any new gTLDs is responsible, deliberate and justified. Therefore, we agree with the stated intention of the ICANN Board to resolve what ICANN has identified as the overarching issues of trademark protection, the potential for malicious conduct, Internet security and stability, and top-level domain demand and economic impact before any additional gTLDs are introduced to the Internet.

However, the ICANN Board's initiative to form the Implementation Recommendation Team (IRT) and to undertake other steps in 2009 to deal with these overarching issues, while a positive response to the many comments critical of the proposed rollout of new gTLDs, should have preceded, and not followed, the decision to move forward. In that way, ICANN would have had the empirical data to support its decision and a full appreciation of its consequences.

In fact, the IRT, on an extremely tight deadline, came up with some very useful recommendations in the final IRT Report, but whether those recommendations are sufficient and cost-effective, particularly given ICANN's intention to introduce an unlimited number of gTLDs, has not been demonstrated. Clearly, significant work remains before ICANN's new gTLD program addresses the array of complicated challenges and obstacles for protecting trademarks and preventing consumer confusion and fraud in a drastically expanded gTLD space.

Trademark owners around the world, who are already overwhelmed in dealing with trademark infringement in the current gTLD and ccTLD domain name space, will face much greater burdens and costs in protecting their trademarks across an exponentially larger number of new gTLDs. Since ICANN's current DNS management mechanisms, including those designed specifically to deal with abusive domain name registrations, have proven inadequate for protecting trademarks in the twenty-one gTLDs currently in place, INTA believes that new mechanisms must be developed and tested and existing mechanisms improved before new gTLDs are introduced, and that in any case, the introduction of new gTLDs should be measured and not unlimited.

Moreover, without mechanisms that are proven to be effective, a dramatic expansion of gTLDs guarantees that those who currently perpetrate and profit from widespread consumer fraud in the domain name system will seize this opportunity to further expand their schemes to the detriment of brand owners and consumers.

In support of this view of the harm that will be caused by the new gTLD initiative as presently structured and on the timetable in place, the Board of Directors of INTA passed a resolution, a copy of which is enclosed, opposing the introduction of an unlimited number of new gTLDs and the introduction of any new gTLDs until the four overarching issues are resolved.

You have taken this important new position with ICANN at a critical time for the Internet, and, not bound by some of the flawed decision-making of the past, you have an opportunity to exercise new leadership. INTA is committed to working with you, your staff and the ICANN Board on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan C. Dreux". The signature is fluid and cursive, written over a white background.

Enclosure

**EXHIBIT D**



**International Trademark Association**  
*Representing Trademark Owners Since 1878*

**Alan C. Drewsen**  
*Executive Director*

July 24, 2009

Mr. Lawrence E. Strickling  
Assistant Secretary for Communications and Information  
Department of Commerce  
1401 Constitution Ave., NW  
Washington, DC 20230

Dear Mr. Strickling:

I am the Executive Director of the International Trademark Association (INTA), a 131-year-old not-for-profit membership association of more than 5,500 trademark owners and professional firms from more than 190 countries, including more than 2,000 established in the United States. INTA is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce.

On behalf of the entire membership of the INTA, I wish to congratulate you on becoming the Assistant Secretary for Communications and Information at the U.S. Department of Commerce. We wish you success as you lead the National Telecommunications and Information Administration's (NTIA) efforts in developing and managing telecommunication and information policies and infrastructure that will benefit the public.

Among the many telecommunications policies that affect trademark owners, INTA is particularly interested at this time in NTIA's oversight of the management of the Internet's domain name system (DNS) by the Internet Corporation for Assigned Names and Numbers (ICANN). For over a decade, INTA supported the U.S. Department of Commerce's initiative of transitioning certain key management functions of the DNS to the private-sector. INTA has been a leading voice for trademark owners in the development of DNS policies and in the management of its processes by actively participating and leading initiatives directly with ICANN and through the Intellectual Property Constituency.

On numerous occasions INTA provided extensive input to NTIA to assist the agency in its oversight of ICANN, and to ensure public accountability over ICANN's management of this extremely valuable public resource. The periodic reviews by NTIA identified many unresolved issues and significant deficiencies in ICANN's management of the DNS. While limited progress has been made on some issues, as acknowledged by NTIA during its recent mid-term review of ICANN's performance under the Joint Project Agreement (JPA), important work remains for ICANN to develop the public's confidence in its management capabilities and judgment. For example, ICANN has yet to develop a balanced organizational and governance structure that

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provides for the adequate representation of the independent business community in its affairs and decision-making. It is not clear how ICANN can function as a private sector-led coordinating body of the Internet's unique identifiers, unless the private sector, i.e., those businesses that have fostered the growth of the Internet and who have introduced innovative products and services, have adequate representation within ICANN's structure.

Another area to be addressed is ICANN's extensive difficulties in maintaining a system that ensures that the Whois database remains accurate and current. Widespread inaccuracies in the database of contact information for registered domain name holders have long frustrated those relying on the information to prevent and address criminal acts and consumer fraud in the Internet marketplace. Moreover, ICANN's contractual compliance program has yet to instill confidence in its stakeholders that its policies regarding this information will be adhered to or enforced.

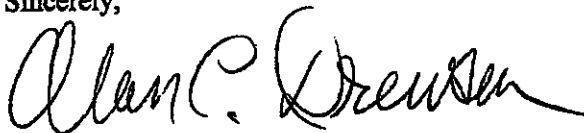
To be sure, the most serious concern of trademark owners is ICANN's failure to develop an acceptable methodology for introducing new generic Top-Level Domain Names (gTLDs) to the Internet and, despite the lack of that methodology, its intention to introduce an unlimited number of new gTLDs to the Internet root server beginning in 2010. Trademark owners around the world, who are currently suffering from extensive domain name related trademark infringement in the current gTLD and ccTLD domain name space, will face the nearly impossible task of protecting their trademarks across an unlimited number of new gTLDs. And as a result, the harm to consumers that flows from abuses in the domain name system will increase exponentially as well.

In support of this view of the harm that will be caused by ICANN's new gTLD initiative as presently structured and on the timetable in place, the Board of Directors of INTA passed a resolution, a copy of which is enclosed, opposing the introduction of an unlimited number of new gTLDs and the introduction of any new gTLDs until the overarching issues with ICANN's program have been resolved.

Given these issues and ICANN's lack of accountability to the public, INTA believes that the NTIA should take the necessary steps to ensure that the JPA with ICANN is extended beyond the September 30, 2009, expiration date in order to allow ample time for a new accountability mechanism to be explored and implemented and for any increase in new gTLDs to be undertaken in a measured and responsible manner.

INTA looks forward to working with you and your staff on these important issues affecting business and consumers in the United States and throughout the world.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan C. Drewsen". The signature is fluid and cursive, with the first name "Alan" being the most prominent.

Enclosure