GAC Advice Response Form for Applicants

The Governmental Advisory Committee (GAC) has issued advice to the ICANN Board of Directors regarding New gTLD applications. Please see Section II of the <u>GAC Buenos Aires Communiqué</u> for the full list of advice on individual strings, categories of strings, and strings that may warrant further GAC consideration.

Respondents should use this form to ensure their responses are appropriately tracked and routed to the ICANN Board for their consideration. Complete this form and submit it as an attachment to the ICANN Customer Service Center via your <u>CSC Portal</u> with the Subject, "[Application ID] Response to Buenos Aires GAC Advice" (for example "1-111-11111 Response to Buenos Aires GAC Advice"). All GAC Advice Responses to the GAC Buenos Aires Communiqué must be received no later than 23:59:59 UTC on 06-January-2014.

Respondent:

Applicant Name	Discover Financial Services
Application ID	1-1439-20671
Applied for TLD (string)	cashbackbonus

Response:

1   Introduction

The Governmental Advisory Committee ("GAC") has issued advice to the ICANN Board of Directors regarding new gTLD applications. Among other things, the GAC has recommended specific Safeguard Advice for multiple categories of strings.   One such category is financial strings like .finance, .bank, .creditcard, and .insurance. The GAC has identified the application for .CASHBACKBONUS filed by Discover Financial Services ("Discover") (Application ID 1-1439-20671) (the "Application") as one of the financial strings to which Safeguard Advice should apply. Discover submits the following information to the ICANN Board of Directors in response to the Safeguard Advice for .CASHBACKBONUS.

As an initial matter, Discover fully supports the GAC's Safeguards and agrees that strings linked to regulated or professional sectors should operate in accordance with applicable laws. Discover also agrees that such strings are likely to involve a level of implied trust from consumers and carry higher levels of risk associated with consumer harm. As a result, Discover promotes the GAC's Safeguard Advice as it applies to open registries. Discover notes, however, that its Application for .CASHBACKBONUS is for a single-registrant, single-user, brand registry that will not be made available to third parties. As a result, the specific Safeguard Advice set forth by the GAC meant to inform, instruct, and bind third parties is inapplicable to Discover's Application. In addition, all of the Safeguard Advice will be met through the very operation of a single-registrant, single-user registry.

2   The .CASHBACKBONUS Registry Is Based on Existing, Incontestable Trademark Rights Identical to the Registry String.

Unlike the other strings identified by the GAC for the financial group, the .CASHBACKBONUS string is based on Discover's existing trademark rights. The Application expressly states that the string is one of Discover's core brands (see, e.g., response to Question 18(a)). For example, Discover owns a United States trademark registration for CASHBACK BONUS for use with "offering a purchase rebate program for credit card users" (U.S. Registration No. 1,538,444). Discover has been using the CASHBACK BONUS trademark in United States commerce since at least as early as July 15, 1986. Its U.S. registration for CASHBACK BONUS registered on May 9, 1989, and it now enjoys incontestable status. Attached hereto as Exhibit A is a true and correct screenshot of the United States Patent & Trademark Office database showing the current status of its incontestable registration for CASHBACK BONUS. Therefore, it appears that Discover's Application was incorrectly included in GAC Advice for generic TLDs. Nevertheless, as all of the GAC Safeguards will be satisfied by the operation of a single-registrant, single-user, brand registry, Discover will address each Safeguard and how it will be met by the very operation of its registry.

3   The GAC Safeguards Will Be Satisfied by the Nature of the .CASHBACKBONUS Registry.

As stated throughout Discover's Application, the .CASHBACKBONUS TLD will be a single-registrant, single-user, brand registry. The intended mission and purpose of the .CASHBACKBONUS TLD is to serve as a trusted, secure, and intuitive namespace for consumers to actively view Discover's CASHBACK BONUS-related products, services, and information, interact with peers regarding Discover's offerings, and purchase authentic Discover products and services at trusted and secure sites. In addition, the .CASHBACKBONUS TLD will provide a secure platform for Discover to directly communicate with consumers through a recognizably secure top-level domain (see, e.g., response to Question 18(a)). To support these initiatives, as well as maintain the integrity of its underlying trademark, it is essential that Discover—and only Discover—register all second-level domain names within the TLD. Furthermore, Discover's business objective is not to sell second-level domain names as a source of funding or otherwise. Rather, the .CASHBACKBONUS registry is intended to supplement Discover's existing business activities, namely, operation of a financial services organization. Accordingly, as explained in more detail below, each GAC Safeguard will be satisfied by Discover's operation of a single-registrant, single-user, brand registry.

3.1   Safeguard One: Each registry operator will include in its acceptable use policy that registrants comply with all applicable laws, including those that relate to privacy, data collection, consumer protection (including in relation to misleading and deceptive conduct), fair lending, debt collection, organic farming, disclosure of data, and financial disclosures.

Discover understands that this Safeguard is intended to bind third-party second-level domain name registrants who will not have contracts with ICANN nor any other regulatory schemes to cover the operation of their second-level domains. In this case, however, Discover will be the only second-level domain name registrant in the .CASHBACKBONUS registry, and Discover will already be bound to comply with all applicable laws in its operation of the registry pursuant to its Registry Agreement. Without any third-party second-level domain name registrants in the .CASHBACKBONUS registry, there will be no third parties for Discover to bind pursuant to an acceptable use policy. Moreover, it is unnecessary for Discover to bind itself to terms already contained in the Registry Agreement with ICANN. In addition, Discover must comply with an array of laws, regulations, and guidelines as a publicly-traded financial services company in the

highly regulated financial industry. Therefore, Safeguard One will be satisfied in
.CASHBACKBONUS by both the operation of the registry as well as existing agreements with
ICANN and other regulatory structures.

3.2   Safeguard Two: Registry operators will require registrars at the time of registration to
notify registrants of this requirement.

Discover understands this Safeguard to require a notification system to third-party second-level
domain name registrants regarding the requirements of Safeguard One. In this case, however,
there will be no third-party second-level domain name registrants. As a result, it is unnecessary
for Discover to require its registrars to advise Discover of Safeguard One. This circular result
demonstrates why Safeguard Two does not apply to single-registrant, single-user, brand
registries such as .CASHBACKBONUS. Therefore, Safeguard Two is inapplicable to a single-
registrant, single-user, brand registry and will be satisfied by operation of .CASHBACKBONUS.

3.3   Safeguard Three: Registry operators will require that registrants who collect and
maintain sensitive health and financial data implement reasonable and appropriate security
measures commensurate with the offering of those services, as defined by applicable law and
recognized industry standards.

Discover understands that this Safeguard is intended to bind third-party second-level domain
name registrants who will not have contracts with ICANN nor any other regulatory schemes to
cover the operation of their second-level domains. However, because Discover will be the only
registrant in the .CASHBACKBONUS registry, there will be no third-party registrants who collect
sensitive health or financial information. Moreover, Discover—the only second-level domain
name registrant—will be bound by the Registry Agreement and all applicable laws and
regulations. In fact, Discover filed the Application for .CASHBACKBONUS to fortify its current
data privacy and security efforts. As stated in the Application, the .CASHBACKBONUS TLD will
provide enhanced protection against the security risks that are inherently heightened within the
online financial services community (see, e.g., response to Question 18(b)(1)). Therefore,
Safeguard Three will be satisfied by the very operation of .CASHBACKBONUS.

3.4   Safeguard Four: Establish a working relationship with the relevant regulatory, or
industry self-regulatory, bodies, including developing a strategy to mitigate as much as possible
the risks of fraudulent, and other illegal, activities.

As a publicly-traded financial services company, Discover already has working relationships with
the various regulatory bodies relevant to its business. Furthermore, the risks of fraudulent and
illegal activities underscore one of the primary purposes of the .CASHBACKBONUS TLD—to
create a secure and trusted online environment for Discover's customers. In fact, operation of
.CASHBACKBONUS will be part of Discover's comprehensive strategy to mitigate the risks of
fraudulent activities. Therefore, Safeguard Four is already required by existing regulatory
schemes, is currently met, and will be satisfied by the operation of .CASHBACKBONUS.

3.5   Safeguard Five: Registrants must be required by the registry operators to notify to them
a single point of contact which must be kept up-to-date, for the notification of complaints or
reports of registration abuse, as well as the contact details of the relevant regulatory, or
industry self-regulatory, bodies in their main place of business.

Discover understands this Safeguard to require third-party second-level domain name registrants to provide up-to-date contact information for a single point of contact and the relevant regulatory bodies. In this case, however, there will be no third-party second-level domain name registrants. Rather, Discover will be the only registrant in the .CASHBACKBONUS registry. As a result, it is unnecessary for Discover to notify itself of its own contact information. Likewise, Discover has well-established relationships with the various regulatory bodies relevant to its business, and it is not necessary for Discover to advise itself of the contact information for these regulatory bodies. Indeed, this illogical result shows that Safeguard Five, like the other Safeguards before it, does not apply to single-registrant, single-user, brand registries such as .CASHBACKBONUS.

In addition to the five Safeguards above, the GAC has identified three additional Safeguards that should apply to strings associated with market sectors with clear and/or regulated entry requirements. For the reasons stated herein, Discover is distinct from the other strings identified in the financial group. Nevertheless, the operation of .CASHBACKBONUS as a single-registrant, single-user, brand registry will also ensure that the three additional Safeguards are satisfied as explained here.

3.6   Safeguard Six: At the time of registration, the registry operator must verify and validate the registrants' authorisations, charters, licenses and/or other related credentials for participation in that sector.

Discover understands this Safeguard to require third-party second-level domain name registrants to prove that they are legitimate and licensed institutions in the relevant sector. Discover fully agrees that all registrants in financial TLDs should be required to verify that they are legitimate institutions in the relevant sector. However, because Discover will be the only second-level domain name registrant in the .CASHBACKBONUS registry, it is unnecessary for Discover to verify and validate its own credentials. Also, since there will be no third-party second-level domain name registrants in .CASHBACKBONUS, Discover will not need to validate any third-party credentials. Therefore, Safeguard Six is inapplicable to a single-registrant, single-user, brand registry and will be satisfied by operation of .CASHBACKBONUS.

3.7   Safeguard Seven: In case of doubt with regard to the authenticity of licenses or credentials, Registry Operators should consult with relevant national supervisory authorities, or their equivalents.

Discover understands this Safeguard to require registry operators to consult with relevant authorities if such registry operators have any doubts about the credentials submitted by third-party second-level domain name registrants pursuant to Safeguard Six. Discover agrees that registry operators would benefit from consultation with relevant authorities when reviewing third-party credentials. However, in this case, Discover will not be reviewing third-party credentials since .CASHBACKBONUS will be a single-registrant, single-user registry. Therefore, Safeguard Seven is inapplicable to a single-registrant, single-user, brand registry and will be satisfied by the operation of .CASHBACKBONUS.

3.8   Safeguard Eight: The registry operator must conduct periodic post-registration checks to ensure registrants' validity and compliance with the above requirements in order to ensure they

continue to conform to appropriate regulations and licensing requirements and generally conduct their activities in the interests of the consumers they serve.

Discover understands this Safeguard to require registry operators to periodically verify that all third-party second-level domain name registrants are in compliance with relevant regulations and licensing requirements. In this case, Discover will be the only registrant in the .CASHBACKBONUS registry, and there will be no third-party registrants. Therefore, it is unnecessary for Discover to verify its own continued compliance with all pertinent laws and regulations. As a publicly-traded financial services company, Discover is required to maintain its good standing with all relevant authorities and regulatory bodies. Moreover, under the Registry Agreement to be executed with ICANN, Discover must represent and warrant that it is in good standing under the laws of the United States (see Paragraph 1.3(a)(ii)). Accordingly, Safeguard Eight is inapplicable to a single-registrant, single-user, brand registry and will be satisfied by the operation of .CASHBACKBONUS.

4   Conclusion

As stated herein and throughout the Application, the .CASHBACKBONUS registry will be a single-registrant, single-user, brand registry. Consequently, the nature of the .CASHBACKBONUS registry ensures that both the letter and intent of the GAC Safeguards will be satisfied through the very operation of the registry itself. Therefore, Discover submits to the ICANN Board of Directors that it should be excluded from the Safeguard Advice and requests that the Board respond to the GAC accordingly. Should any further information be needed, Discover requests that Outreach be conducted to the primary contact in this Application.

Exhibit A

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US Serial Number: 73744513 | Application Filing Date: Aug 08, 1988
US Registration Number: 1532444 | Registration Date: May 09, 1989
Register: Principal
Mark Type: Service Mark
Status: The registration has been renewed.
Status Date: Mar 30, 2009
Publication Date: Jan 24, 1989

▾ Mark Information

Mark Literal Elements: CASHBACK BONUS

Standard Character Claim: No

Mark Drawing Type: 1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)

Disclaimer: "CASHBACK"

▾ Goods and Services

Note:
The following symbols indicate that the registrant owner has amended the goods/services:
- Braces { } indicate deleted goods/services;
- Double parentheses (( )) identify any goods/services not claimed in a Section 15 affidavit of incontestability;
- Asterisks * * identify additional (new) wording in the goods/services.

For: OFFERING A PURCHASE REBATE PROGRAM FOR CREDIT CARD USERS

International Class(es): 036 - Primary Class   U.S Class(es): 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 15, 1980   Use in Commerce: Jul. 15, 1980

▾ Basis Information (Case Level)

Filed Use: Yes	Currently Use: Yes	Amended Use: No
Filed ITU: No	Currently ITU: No	Amended ITU: No
Filed 44D: No	Currently 44D: No	Amended 44D: No
Filed 44E: No	Currently 44E: No	Amended 44E: No
Filed 66A: No	Currently 66A: No	
Filed No Basis: No	Currently No Basis: No	

▾ Current Owner(s) Information

Owner Name: DISCOVER FINANCIAL SERVICES

Owner Address: 2500 LAKE COOK ROAD
RIVERWOODS, ILLINOIS 60015
UNITED STATES

Legal Entity Type: CORPORATION   State or Country Where Organized: DELAWARE

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Domestic Representative - Not Found

▾ Prosecution History

Date	Description	Proceeding Number
Mar 30, 2009	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	69196
Mar 30, 2009	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Mar 25, 2009	ASSIGNED TO PARALEGAL	69196
Mar 23, 2009	TEAS SECTION 8 & 9 RECEIVED	
Aug 08, 2008	CASE FILE IN TICRS	
Apr 25, 2007	AUTOMATIC UPDATE OF ASSIGNMENT OF OWNERSHIP	
Apr 25, 2007	AUTOMATIC UPDATE OF ASSIGNMENT OF OWNERSHIP	
Sep 20, 2004	REVIEW OF CORRESPONDENCE COMPLETE	67149
Oct 29, 2004	PAPER RECEIVED	
Oct 27, 2004	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Sep 24, 2003	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Oct 08, 1995	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	
Jun 27, 1995	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
May 09, 1989	REGISTERED-PRINCIPAL REGISTER	
Apr 04, 1989	PUBLISHED FOR OPPOSITION	
Dec 27, 1988	NOTICE OF PUBLICATION	
Dec 24, 1988	NOTICE OF PUBLICATION	
Oct 11, 1988	APPROVED FOR PUB - PRINCIPAL REGISTER	
Oct 03, 1988	EXAMINER'S AMENDMENT MAILED	
Sep 28, 1988	ASSIGNED TO EXAMINER	68030

▾ Maintenance Filings or Post Registration Information

Affidavit of Continued Use: Section 8 - Accepted

Affidavit of Incontestability: Section 15 - Accepted

Renewal Date: May 09, 2009

▾ TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: POST REGISTRATION   Date in Location: Mar 30, 2009

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