

Proposal for a Specification 13 to the ICANN Registry Agreement to contractually reflect certain limited aspects of “.Brand” new gTLDs

Background

The purpose of the Brand Registry Group (BRG) proposed Specification 13 to the ICANN Registry Agreement is to make three specific changes to the terms of the Agreement to reflect the unique needs of .Brand registries.

All three changes are subject to meeting the definition of a “.Brand” (see Annex § 1).

Benefits of the changes

The changes will allow trademark owners who have applied for new TLDs to promote and maintain trust in their .Brand registries. This trust can be achieved through secure and stable navigation, the use of validated service providers, and the avoidance of consumer confusion, counterfeiting or fraud.

Which parts of the RA are affected?

Clause 2.9 would be changed to allow .Brands to exclusively use trusted registrar(s).

Clause 4.5 would be changed to provide .Brand Registry Operators with an option to object to the re-delegation of a .Brand TLD following the termination or expiry of the Registry Agreement during a 2 year “cooling off” period. This would allow the .Brand to avoid any risk of consumer confusion or any other unintended collisions consequences after the winding down of the registry. Importantly though, this cooling off period would not prohibit a third party making an application for the TLD in the interim.

A registry that meets the requirements of a “.Brand” TLD under Specification 13 would be exempt from the requirements of the Code of Conduct of Specification 9.

What happens if the .Brand changes its model?

.Brands would be contractually obliged to conduct internal reviews at least annually (which certified reviews would be submitted to ICANN, and which may be made publicly available) and to inform ICANN if any change of circumstances would cause them to no longer meet the .Brand definition. In the event that a .Brand registry ceased to meet the definition, then Specification 13 would no longer apply.

What outreach was done?

The Brand Registry Group represents the interests of .Brand applicants in ICANN. At the request of some 70 unique .Brand applicants (including all BRG members and many other interested .Brand applicants), we have engaged in some dialogue with ICANN staff for nearly eight months.

We have maintained email lists open to all interested .Brands, and have held a number of “all .Brand” outreach efforts including emails, phone calls, and direct contact with applicants, and

their counsel and consultants.

Meetings between .Brand applicants and ICANN staff commenced more formally in April 2013, following public comments raised in February 2013. Subsequent regular meetings and document exchanges have taken place between these stakeholders at the ICANN46, ICANN47, and ICANN48 meetings. Between meetings, dialogue was maintained via email and phone conferences to clarify and progress the proposals.

ICANN community history in support of the concept of Specification 13

Both the BC and IPC have called for ICANN to recognize the need for contract terms to reflect the nature of .Brand TLDs. (See Annex § 2).

GNSO Implementation Guideline J says: “The base contract should balance market certainty and flexibility for ICANN to accommodate a rapidly changing market place.”

Moreover, many .Brand applicants documented their intentions to use a single registrar in their new TLD applications, which were posted for public comment (e.g., the HSBC application states: “HSBC will operate a single registrar model”). No comments were received objecting to these intentions.

Annex

1. Definition

“.Brand TLDs” are TLDs where:

- (i) the TLD string is identical to the textual elements protectable under applicable law, of a registered trademark valid under applicable law, which registered trademark:
 - a. is registered with the Trademark Clearinghouse, if such mark meets the eligibility requirements to be registered with the Trademark Clearinghouse;
 - b. is owned and used by the Registry Operator or its Affiliate in the ordinary course of Registry Operator’s or its Affiliates’ business in connection with the offering of the goods and/or services claimed in the trademark registration;
 - c. was issued to Registry Operator or its Affiliate prior to the filing of its TLD registry application with ICANN;
 - d. is used throughout the Term continuously in the ordinary course of business of Registry Operator in connection with the offering of the goods and/or services identified in the trademark registration;
 - e. does not begin with a dot; and
 - f. is used by Registry Operator in the conduct of one or more of its businesses that are unrelated to the provision of TLD Registry Services; and
- (ii) only Registry Operator, its Affiliates, or Trademark Licensees register domain names and control the DNS records associated with domain names at any level in the TLD; and
- (iii) Registry Operator has provided ICANN with an accurate and complete copy of such trademark registration.

“Trademark Licensee” means any corporation, partnership, limited liability company or similar legal entity (and not a person) that has a written trademark license agreement with a Registry Operator or its Affiliate, for use of the registered trademark owned by the Registry Operator or its Affiliate, the textual elements of which correspond exactly to the .Brand TLD operated by that Registry Operator, where such license is:

- (i) valid under applicable law;
- (ii) for use of such trademark in the regular course of that person or entity’s business outside of the provision of TLD Registry Services; and
- (iii) used continuously in that person or entity’s business throughout the Term.

2. References

Business Constituency

BC Comments on Proposed Final Applicant Guidebook (6 Dec 2010): "A single registrant ('dot brand') Registry Operator must use an ICANN accredited registrar, but is not required to provide non-discriminatory access to all registrars where any name permitted for registration at the second level must be under the control of the Registry Operator or its affiliates." And "4.5 shall not apply to single-registrant ('dot brand') Registry Operators which own the intellectual property rights of the applied for TLD." And on the Code of Conduct: "Nothing set forth in articles 1, 2, or 3 shall apply to a single-registrant ('dot brand') Registry Operator acting with respect to user data that is under its ownership and control, or with respect to conduct reasonably necessary for the management, operations and purpose of the TLD."

Intellectual Property Constituency

IPC Reply Comments - Proposed New gTLD Registry Agreement (11 June 2013): "The IPC continues to encourage ICANN to recognize a specific dot.brand category of TLDs". And: "To this end, the IPC also supports the call for a separate dot.brand Registry Agreement to match the novel and unique closed dot brand registry model. We generally concur with comments submitted by the Brand Registry Group ('BRG'), which explain the need for a separate dot.brand registry agreement and characterize dot.brand applicants as 'radically different,' most notably in that they do not intend to sell second-level domain names to the general public."

GNSO

The GNSO's Recommendation 19 Discussion specifically mentions that the registrar non-discrimination requirement was not appropriate for all TLD models. The RyC noted that "the RyC has no problem with this recommendation for larger gTLDs; the requirement to use accredited registrars has worked well for them. But it has not always worked as well for very small, specialized gTLDs. The possible impact on the latter is that they can be at the mercy of registrars for whom there is no good business reason to devote resources."

Public comments

There have been extensive public comments calling for a separate .Brand Registry Agreement in the instant and previous comment periods. See Yahoo!, Closed Generic Top Level Domains (29 April 2013); Google, Proposed Final New gTLD Registry Agreement (29 April 2013); Valideus, Proposed Final [29-Apr] New gTLD Registry Agreement (29 April 2013); FairWinds Partners, Brand Owners Comment on Registry Agreement (29 April 2013); Richemont, Registry Agreement Negotiation Points (29 April 2013); Bloomberg IP Holdings, gTLD Agreement (29 April 2013); Web.com Group, Revised New gTLD Registry Agreement (5 February 2013); Citigroup, New gTLD Registry Agreement (5 February 2013); Steptoe & Johnson, New gTLD Registry Agreement (26 February 2013); HBO Registry Services, New gTLD Registry Agreement (5 February 2013); Valideus, Revised New gTLD Registry Agreement Including PIC Specification (5 February 2013).

CRAI Report 2008

"A single owner TLD would be a new model where the registry and registrants are one. An example would be a large company interested in having its own TLD for use by its employees. For this business model, a requirement that registry and registrar functions be separated would be especially inefficient. Why require a .BIGCO, as an example, to go through a third party to register its employees as users? In addition to the inefficiency of such a structure, there could also be security concerns, especially if equal access requirements were also in force. What if a rival to the single owner obtained ICANN accreditation as a registrar? The existing vertical separation and equal access requirements are particularly inappropriate for this potential new business model. Without suspending those requirements, it seems unlikely there will be many if any candidates for such TLDs."