

Key Topics to Follow During ICANN 57 in Hyderabad

The 57th international meeting of the Internet Corporation for Assigned Names and Numbers (ICANN) commences in earnest on Wednesday, November 2, 2016, in Hyderabad, India. We write to detail for your convenience several high-profile topics that have emerged amid community discussions leading up to this meeting.

1. ICANN Accountability Post-IANA Transition

The previous Internet Assigned Numbers Authority (IANA) contract between ICANN and the US National Telecommunications and Information Administration (NTIA) expired on September 30, 2016, as planned, and the replacement contract between ICANN and the Post Transition IANA (PTI) entity went into effect as of October 1, 2016. This IANA transition process from US government oversight to oversight by the ICANN multi-stakeholder community is the final piece in a long process started in 1998 to fully privatize technical and policy-making oversight over core Internet infrastructure and the authoritative Domain Name System.

In conjunction with the IANA transition, the ICANN community has been developing enhancements to ICANN accountability to ensure that ICANN is fully accountable to its stakeholders now that the US government has withdrawn its “safety net” with respect to IANA. The first set of accountability enhancements went into effect simultaneously with the IANA

transition, encapsulated in new ICANN Bylaws in the form of a revised “Mission, Core Values and Commitments” by ICANN, enhanced reconsideration and independent review panel mechanisms, and new powers for the community to remove individual ICANN Board members or recall the entire Board if it does not act in accordance with the will of the community. With these “Work Stream 1” accountability mechanisms now in place, the community has begun discussing additional areas where ICANN accountability may be improved as part of “Work Stream 2.” These Work Stream 2 discussions focus on the following issues:

- Diversity and more specifically considering improvements to ICANN’s standards for diversity at all levels. *See* ICANN, [ICANN Bylaws](#) § 27.1(b)(i).
- Staff accountability. *See* New ICANN Bylaws § 27.1(b)(ii).
- Supporting Organization (SO) and Advisory Committee (AC) accountability, including improvements to accountability, transparency and participation that may be helpful in preventing “capture” of or within these structures. *See* New ICANN Bylaws § 27.1(b)(iii).
- Transparency, including improvements to ICANN’s transparency, focusing on enhancements to ICANN’s existing Document Information Disclosure Process (DIDP), transparency of ICANN’s interactions with governments, improvements to ICANN’s

whistleblower policy and transparency of Board deliberations. *See* New ICANN Bylaws § 27.1(b)(iv).

- Human rights and primarily the development of a “human rights framework” regarding ICANN’s responsibility to respect internationally recognized principles of human rights. *See* New ICANN Bylaws § 27.1(b)(v); *see also id.* § 1.2(b)(viii) (setting forth “respecting internationally recognized human rights as required by applicable law” as an ICANN Core Value); *id.* § 27.2(a) (“The Core Value set forth in Section 1.2(b)(viii) shall have no force or effect unless and until a framework of interpretation for human rights (‘FOI-HR’) is (i) approved for submission to the Board by the CCWG-Accountability as a consensus recommendation in Work Stream 2 ... and (ii) approved by the Board, in each case, using the same process and criteria as for Work Stream 1 Recommendations.”).
- Jurisdiction and more specifically addressing certain jurisdiction-related questions including how choice of jurisdiction and applicable laws for dispute settlement impact ICANN’s accountability. Despite initial disagreement, work now appears focused on defining multiple layers of jurisdiction including incorporation, headquarters, physical presence, contractual choice of law, and venue for adjudicating disputes. *See* New ICANN Bylaws § 27.1(b)(vi).
- Enhancements to the role and function of the ICANN Ombudsman. *See* New ICANN Bylaws § 27.1(b)(vii).

Although work in these areas remains in early stages, it will be important to continue to monitor this work in order to stymie, for example, efforts within the Jurisdiction sub-team to unravel decisions made during Work Stream 1 to keep ICANN headquartered in the United States as a California not-for-profit entity, subject to US and California law and jurisdiction, or efforts in the Human rights sub-team to cherry-pick certain human rights

principles that are not balanced by protections for intellectual property rights.

Key ICANN 57 Sessions:

- [*Work Stream 2 Face to Face*](#) (Nov. 2)
- [*GAC Accountability Work Stream 2*](#) (Nov. 4)

2. Geographic Names

GAC GEOGRAPHIC NAMES WORKING GROUP

The Governmental Advisory Committee (GAC) Working Group on Geographic Names continues to develop a document attempting to define the “public interest” in order to supplement and support a revised, but as yet unpublished, draft of the “Argentina Proposal.” The Argentina Proposal is an attempt to limit the use of geographic or other culturally significant terms as new gTLDs based on the notion that such restrictions on free expression ultimately benefit the public by preventing a TLD monopoly on the term; in this respect, it is ironic that the Argentina Proposal attempts to create a governmental monopoly over these terms. The Proposal is a direct response to strings from the 2012 round such as .AMAZON, which governments of South America united to prevent from being granted to Amazon, Inc. on the grounds that the term has priority significance as a river and geographic area of cultural significance. At the present time, the Working Group’s intention appears to be to contrive a definition of the “public interest” that favors only national priority over all geographic or otherwise culturally significant words and phrases within the DNS. Unsurprisingly, based on earlier drafts of the Argentina Proposal we have seen, this additional document reportedly fails to address trademarks and their public interest purpose vis-à-vis consumer protection.

In addition, efforts are evidently underway to draft a “best practices” document relating to the use of geographic names as TLDs to apply to future new gTLD rounds, including a compendium of certain names that might be

prohibited if the Argentina Proposal were adopted. GAC representatives from the United States, Canada, Denmark and a handful of other countries have questioned the purpose and utility of this document, although it has apparently not been widely shared or discussed even within the full GAC. Ultimately, the Geographic Names Working Group continues to dodge meaningfully responding to previous community input regarding the Argentina Proposal. However, we remain optimistic that additional updates will be forthcoming during ICANN 57.

CROSS-COMMUNITY WORKING GROUP ON USE OF COUNTRY AND TERRITORY NAMES AS TLDs

The Cross-Community Working Group on Use of Country and Territory Names as TLDs (CWG-UCTN) has been making sporadic progress since ICANN 56 in Helsinki. During prior discussions, the overwhelming majority of the community recommended that all efforts pertaining to geographic names should be combined into a single work stream. Accordingly, the CWG-UCTN has turned its attention to developing a “progress report” that summarizes its efforts to date and recommendations that its work be subsumed into either an existing work stream that can take up this Working Group’s issues or into a new cross-community working group that will work broadly on all geographic names issues including those of this Working Group. Unsurprisingly, most stakeholders from outside the Generic Names Supporting Organization (GNSO) support the formation of yet another geographic names cross-community working group.

Although the CWG-UCTN has not clearly defined its next step, the Working Group will meet in Hyderabad. We expect it to wind down its activities in the near future, with a new forum taking up these issues (either within the GNSO or within a broader geographic names

cross-community working group) in the coming months.

Key ICANN 57 Sessions:

- [GAC WG to Examine the Protection of Geographic Names in Future Expansion of gTLDs Meeting](#) (Nov. 3)
- [ccNSO-GNSO CCWG Use of Country and Territory Names as TLDs](#) (Nov. 5)
- [GAC Meeting on Country Names and Country Codes](#) (Nov. 7)

3. Domain Name Registration Data

NEXT-GENERATION REGISTRATION DIRECTORY SERVICE

The Next-Generation Registration Directory Service (RDS) Working Group continually wades in and out of procedural and substantive matters. Formally, the Working Group continues to triage the hundreds of identified possible users, purposes and privacy requirements and continues to develop a consensus “statement of purpose” for an RDS, which, unsurprisingly, remains highly contentious. The latest draft offers the following proposed statements of RDS purposes: “A purpose of a system to collect, maintain, and provide access to gTLD registration data (hereafter referred to as ‘the RDS’) is to provide information that is needed by authorized parties to operate a generic top-level domain name in the DNS.” The latest draft also proposed, “A purpose of RDS is to promote the availability of accurate gTLD registration data.” While brand owners and registry operators would both support these basic statements, ultimately the data in the RDS should be accessible to brand owners for purposes of enforcing their rights against third-party registrants but also balanced to protect registrant privacy consistent with applicable law.

Law enforcement and intellectual property owner representatives continue to push for a more expansive RDS statement of purpose, which includes language supporting access to

accurate data for purposes of law enforcement and intellectual property investigations and enforcement, while privacy representatives and contracted parties continue to push for a narrower statement of purposes focusing on management of domain names and limiting language that envisages broad access to registration data.

Recent discussion has also focused on whether “accuracy” is a “purpose” of the RDS or merely a means of supporting certain purposes. Some representatives (primarily law enforcement and intellectual property representatives) have argued that accuracy of data is a purpose unto itself, while others (primarily contracted party representatives) have argued that accuracy of data is an important goal but not a “purpose” of the RDS. Contracted party participants have also reiterated that the onus of ensuring accurate data should remain with the registrant rather than the registry or registrar and also highlighted the distinction between an aspirational standard of obtaining complete accuracy versus merely ensuring the utility of data. In other words, some data may be technically inaccurate (a misspelled name for example) but can still provide the necessary utility of being able to identify and contact the registrant. Ultimately, the work of this Working Group will likely reach a balanced solution similar to the result of the Expert Working Group on Registration Directory Service that delivered its Final Report in 2014. Nonetheless, it is important to track these efforts to ensure brand owners’ ability to access registration data for enforcement purposes is not ultimately unduly hindered.

PRIVACY AND PROXY SERVICE ACCREDITATION ISSUES

In recent years, an ICANN Working Group was tasked with developing a possible accreditation scheme for providers of privacy and proxy services (services that replace underlying domain name registrant registration data in WHOIS with the information of the service provider in order to

protect the registrant’s identity or contact information). That Working Group delivered its final recommendations in June 2015, and the Board adopted the recommendations in August 2016. The unusually lengthy delay prior to Board adoption was the result of an intervening request from the GAC for more time to consider possible advice on the recommendations, which certain GAC contingencies felt were not duly inclusive of prior GAC Public Safety Working Group input. Such advice would have potentially attempted to prohibit privacy and proxy services for commercial entities under the theory that consumers have a right to know with whom they are conducting business. Ultimately, the GAC did not provide formal substantive advice on the issue other than requesting that the implementation process take prior GAC input into account. The Implementation Review Team (IRT) tasked with developing implementation guidance on the adopted privacy and proxy service accreditation policies recently kicked off and is holding a face-to-face meeting during ICANN 57. It will be important for stakeholders interested in privacy and proxy service issues—in particular brand owners who must overcome the use of these services in investigating possible infringement—to closely monitor the IRT’s work to ensure the policies around these services are implemented consistent with the policy recommendations.

Key ICANN 57 Sessions:

- [*GNSO – Next-Generation RDS PDP WG Face to Face Meeting \(Nov. 3\)*](#)
- [*Privacy and Proxy Services Accreditation Implementation Review Team: Project Overview \(Nov. 4\)*](#)
- [*RDS/WHOIS and Domain Abuse \(via GAC Public Safety Working Group\) \(Nov. 4\)*](#)
- [*Update on WHOIS-Related Initiatives \(Nov. 5\)*](#)
- [*Privacy and Proxy Services Accreditation Program Implementation Review Team: Working Meeting \(Nov. 9\)*](#)

4. Trademark Rights Protection Mechanism Review

Although the Rights Protection Mechanism (RPM) Review Working Group has all but moved on from discussing the Trademark Post-Delegation Dispute Resolution Procedure (PDDRP), key discussions are only beginning regarding the Trademark Clearinghouse (TMCH), Sunrise and Trademark Claims services.

Early comments from certain Working Group members suggest that severe misunderstandings persist regarding the role and limitations of the TMCH—particularly the misconception that the TMCH somehow performs any kind of substantive legal review of trademarks. Certain domain investors are also purposely attempting to distort the function of the TMCH in order to obtain registrant-friendly changes to TMCH requirements. In particular, domain investors press toward more substantial use in commerce requirements, as well as protection only for fanciful trademarks—given their apparent viewpoint that arbitrary and otherwise descriptive marks that have acquired secondary meaning tend to overlap with dictionary words, which should be open and available to all potential registrants. They often proclaim that such words are “generic” absent any comprehension of pertinent implications vis-à-vis trademark law.

In a similar vein, domain investors repeatedly raise “gaming” of the TMCH as a reason for re-examining grounds for recording marks in the TMCH. One example of the type of gaming that allegedly occurs is obtaining trademark registrations for otherwise generic words in jurisdictions with minimal examination standards, based on token use or no use at all, and using these registrations to record marks in the TMCH in order to get Sunrise priority access to valuable generic domain names or prevent others from doing so through the Claims process. On the other hand, Working Group

members representing registries and intellectual property owners questioned the veracity of allegations regarding widespread gaming of the TMCH, suggesting that data on Sunrise usage does not support the assertion. Any outlier cases of gaming can and should be dealt with on an individual basis, through appropriate challenges to the underlying trademarks and TMCH records, rather than through a wholesale dilution of the TMCH system. In addition, any attempts to deny TMCH protection based on the jurisdiction of a registration is a dangerous prospect given that mark owners come from many jurisdictions with differing national examination regimes, and ICANN should not be making qualitative judgments regarding such varying regimes, beyond current use in commerce requirements imposed by ICANN.

Early comments from brand owner representatives regarding Sunrise have favored expanding Sunrise to include variations of TMCH-recorded marks, such as plurals or the addition of keywords, in order to allow trademark owners to defensively register these variations before they are available to third parties. Unsurprisingly, domain investors have pushed back on this suggestion and attempted to refocus discussion on the “previously abused label” service. They unconvincingly argue that minimal use of this service to generate Claims notices would suggest that there would be minimal benefit to expanding Sunrise to permit non-identical matches to be defensively registered. However, we continue to believe that minimal use of the service remains a direct result of the costs and administrative complexities around its implementation. Simply put, base costs ranging from US\$50 to \$200 to add each previously abused label to a TMCH record, coupled with administrative burdens to retrieve and provide complaints and decisions explicitly citing identical trademark registration numbers, serve as strong deterrents against brand owner utilization of the service. Thus, low participation in the service to date should not be

a rationale for removing it altogether as an option for brand owners.

Members of the Working Group have also begun to debate the issue of registries using “premium names” designations to increase prices on Sunrise-eligible domain names. Brand owners have generally decried this practice, particularly where the name would not be of particular value but for the trademark goodwill. On the other hand, others (primarily domain investors and registries) reiterate that there should be no restriction on premium designations where a name may operate as a trademark in certain circumstances but is also a generic word (e.g., “apple” or “united”). As brand owner representatives point out, the most important point on this subject is whether a registry charges a substantially higher price to a trademark owner and a lower price to a third party for the same name (which presumably matches a trademark in the TMCH). In this way, the registry would be effectively circumventing the purpose of Sunrise by pricing out trademark owners from reasonably being able to affordably obtain priority defensive registrations. Along those lines, the Working Group conversation to date on premium names focused almost exclusively on prices charged by registry operators. Indeed, premium names are also typically held as registry reserved names that, depending on when they are released by the registry operator, may entirely avoid Claims and Sunrise services.

The Working Group continues to discuss issues relating to TMCH and Sunrise, which we anticipate will continue for several more weeks, likely even months given the number of important issues to unpack on these topics. Moreover, vocal participation by domain investors and other registrant representatives has made it critical for brand owners to increase engagement in this Working Group. Without balanced participation, these important yet imperfect mechanisms are at serious risk of being further diluted or terminated.

Key ICANN 57 Sessions:

- [GAC Session on the TMCH Review](#) (Nov. 6)
- [GNSO Review of All Rights Protection Mechanisms in All gTLDs Policy Development Process Working Group](#) (Nov. 7)

5. Content Regulation, Mitigating Abuse and Enhancing Trust in the DNS

During ICANN 57, the community will continue to discuss a number of important work streams pertaining to mitigating abuse and enhancing trust in the DNS and in new gTLDs in particular. The community has identified “Mitigation of Abuse in gTLDs” as a High Interest Topic for discussion at ICANN 57, although the precise parameters of that discussion are not yet clear. Certainly, brand owners have a vested interest in minimizing abuse in the DNS, including acts that target brands to the detriment of consumers, such as cybersquatting, trademark infringement and counterfeiting, and fraud such as phishing or spoofing that uses brand names deceptively to acquire consumer information or elicit sham sales of goods and services.

A related work stream is the Healthy Domains Initiative (HDI), a voluntary initiative led by registry and registrar representatives aimed at identifying industry best practices, including with respect to dealing with intellectual property infringement issues, fraud such as phishing or spoofing and other matters of consumer protection and ensuring a secure and stable DNS. Stemming from the HDI, certain registries have developed bilateral initiatives with rights owners aimed at addressing clear cases of intellectual property infringement, such as the “Trusted Notifier” system implemented between Donuts and the Motion Picture Association of America.

In addition, the Non-Commercial Users Constituency of the GNSO will convene a discussion on “DNS and Content Regulation” that will also focus on the role of registry operators

and registrars and addressing illegal or objectionable online content, including certain intellectual property infringements. The session is designed to discuss and debate the appropriate role of ICANN and its contracted parties in relation to Internet content hosted at a domain name. Of course, the [ICANN Bylaws](#) that went into effect on October 1, 2016, expressly exclude “content regulation” from ICANN’s Mission: “ICANN shall not regulate (i.e., impose rules and restrictions on) services that use the Internet’s unique identifiers or the content that such services carry or provide, outside the express scope of Section 1.1(a). For the avoidance of doubt, ICANN does not hold any governmentally authorized regulatory authority.”

Finally, the Competition, Consumer Choice and Consumer Trust Review Team (CCT-RT) will meet during ICANN 57. The CCT-RT is responsible for evaluating (1) how the new gTLD Program has promoted competition in the domain name industry, consumer choice with respect to domain name services and consumer trust in the DNS; (2) the effectiveness of the application and evaluation processes for new gTLDs; and (3) the effectiveness of safeguards put in place to mitigate possible abuse involved in the expansion of the domain name space. The CCT Review is one of the key inputs needed before ICANN will re-open applications for additional new gTLDs. It is also critical to ensure the trademark community weighs into the CCT-RT discussions given the important role trademarks play in ensuring trust in the global marketplace, including in the DNS.

It is critical for brand owners to work with the broader ICANN community to address these issues, and it will be important to engage in all of these work streams on the ground in Hyderabad.

Key ICANN 57 Sessions:

- [CCT Review Team Meeting Day 2](#) (Nov. 3)
- [GNSO - New gTLD Subsequent Procedures PDP Working Group Face-to-Face Meeting](#) (Nov. 3)

- [Input to Competition, Consumer Choice, Consumer Trust Review Team](#) (Nov. 4)
- [New gTLDs - Issues for Subsequent Rounds](#) (Nov. 5)
- [CCT Wrap-up and Debriefing Session](#) (Nov. 5)
- [New gTLD Program Reviews](#) (Nov. 5)
- [High Interest Topics Session: Mitigation of Abuse in gTLDs](#) (Nov. 5)
- [Competition, Consumer Trust and Consumer Choice Research Results](#) (Nov. 5)
- [GAC Meeting with the CCT Review Team](#) (Nov. 6)
- [DNS and Content Regulation NCUC Group](#) (Nov. 6)
- [gTLD Marketplace Health Index Metrics](#) (Nov. 7)
- [gTLD Marketplace Health Index Advisory Panel Working Session](#) (Nov. 8)

6. Subsequent Procedures for Additional New gTLD Applications

Sensing either an opportunity for further financial enrichment or commensurate political turmoil, nearly the entire ICANN community has its eyes squarely fixed on the timely development of policies to facilitate subsequent new gTLD applications.

Amid various stakeholder pet projects and backroom meetings with ICANN personnel, formal community work to open the next opportunity to apply for a new gTLD has taken shape through the “New gTLD Subsequent Procedures Working Group” (SUB PRO). Changes to both existing consensus policies and implementation details imposed by ICANN staff are necessary to correct the parade of errors, glitches and other problems frustrating all participants in the 2012 new gTLD application window. To this end, the SUB PRO has established several separate work tracks to compartmentalize and tackle these problems based on the several overarching categories.

For example, the “overall process, support and outreach” work track will examine in Hyderabad a potential accreditation system for backend registry service providers, as well as problems with the Applicant Support Program that was supposed to subsidize near-nonexistent applications from the least developed nations.

Contemporaneous with ongoing negotiations undertaken by registry operators to amend the base Registry Agreement, the “legal and regulatory” work track will examine whether separate agreements should be available for .Brand TLDs or other business models. The 2012 round demonstrated various fatal flaws with the “one-size-fits all approach” to contract formation mandated by ICANN. They will also consider whether changes should be made to the list of words that are reserved pursuant to the Registry Agreement. And, rather importantly, they will reconsider both the necessity and potential funding options for the Continuing Operations Instrument, which was mandated by ICANN in order to support Emergency Backend Registry Operations in the event that a registry fails to maintain critical service thresholds.

Finally, the “string contention, objections and disputes” work track will consider in Hyderabad whether an Independent Objector was useful or necessary with respect to public interest and community objections against various new gTLD applications in 2013. They will also consider whether further new gTLD applications should be batched into rounds or accepted on an open-and-rolling basis.

Regrettably, about the only thing that the SUB PRO and its several work tracks agree on at the moment is that additional new gTLD applications are an absolute necessity.

Key ICANN 57 Sessions:

- [Face-to-Face Working Group Session](#) (Nov. 3)
- [Issues for Subsequent Rounds](#) (Nov. 5)

Conclusion

We hope that this high-level advisory provides you with unique insight into several major areas of impact and interest for brand owners and registry operators, including for .Brand TLDs, which are expected to receive attention in Hyderabad. A link to the full meeting schedule is available [here](#).

As always, we welcome the opportunity to discuss any of these topics with you in greater detail as well as discuss meeting coverage and advocacy that is specifically tailored to your unique concerns and interests. We look forward to receiving any feedback you may have on these issues. Please let us know if it would be helpful to set up a call in the next few days to discuss how we might support your organization during ICANN 57 and/or whether it would be helpful to set up a call to debrief on key issues after ICANN 57.

For more information about the topics raised in this Legal Update, please contact any of the following lawyers.

Brian J. Winterfeldt

+1 202 263 3284

bwinterfeldt@mayerbrown.com

Michael D. Adams

+1 312 701 8713

michaeladams@mayerbrown.com

Sarah B. Deutsch

+1 202 263 3765

sdeutsch@mayerbrown.com

Phillip V. Marano

+1 202 263 3286

pmarano@mayerbrown.com

Griffin M. Barnett

+1 202 263 3289

gbarnett@mayerbrown.com

Mayer Brown is a global legal services organization advising many of the world's largest companies, including a significant proportion of the Fortune 100, FTSE 100, CAC 40, DAX, Hang Seng and Nikkei index companies and more than half of the world's largest banks. Our legal services include banking and finance; corporate and securities; litigation and dispute resolution; antitrust and competition; US Supreme Court and appellate matters; employment and benefits; environmental; financial services regulatory & enforcement; government and global trade; intellectual property; real estate; tax; restructuring, bankruptcy and insolvency; and wealth management.

Please visit our web site for comprehensive contact information for all Mayer Brown offices. www.mayerbrown.com

Any tax advice expressed above by Mayer Brown LLP was not intended or written to be used, and cannot be used, by any taxpayer to avoid U.S. federal tax penalties. If such advice was written or used to support the promotion or marketing of the matter addressed above, then each offeree should seek advice from an independent tax advisor.

Mayer Brown comprises legal practices that are separate entities (the "Mayer Brown Practices"). The Mayer Brown Practices are: Mayer Brown LLP and Mayer Brown Europe-Brussels LLP, both limited liability partnerships established in Illinois USA; Mayer Brown International LLP, a limited liability partnership incorporated in England and Wales (authorized and regulated by the Solicitors Regulation Authority and registered in England and Wales number OC 303359); Mayer Brown, a SELAS established in France; Mayer Brown Mexico, S.C., a sociedad civil formed under the laws of the State of Durango, Mexico; Mayer Brown JSM, a Hong Kong partnership and its associated legal practices in Asia; and Tauil & Chequer Advogados, a Brazilian law partnership with which Mayer Brown is associated. Mayer Brown Consulting (Singapore) Pte. Ltd and its subsidiary, which are affiliated with Mayer Brown, provide customs and trade advisory and consultancy services, not legal services.

"Mayer Brown" and the Mayer Brown logo are the trademarks of the Mayer Brown Practices in their respective jurisdictions.

This publication provides information and comments on legal issues and developments of interest to our clients and friends. The foregoing is not a comprehensive treatment of the subject matter covered and is not intended to provide legal advice. Readers should seek legal advice before taking any action with respect to the matters discussed herein.

© 2016 The Mayer Brown Practices. All rights reserved.