

## Key Topics to Follow During ICANN 56

The fifty-sixth international meeting of the Internet Corporation for Assigned Names and Numbers (“ICANN”) commences in earnest on Sunday, June 26, 2016, in Helsinki, Finland. This Legal Update identifies several high-profile topics that have emerged amid community discussions leading up to this meeting, all of which are relevant to brand owners as well as new gTLD registry operators.

### 1. Working Group Conducting Rights Protection Mechanisms Review Begins Discussions of Trademark Post-Delegation Dispute Resolution Procedure

The Working Group tasked with reviewing all Rights Protection Mechanisms (“RPMs”) in all gTLDs has begun to examine substantive issues, starting with an evaluation of the Trademark Post-Delegation Dispute Resolution Procedure (“PDDRP”). The PDDRP was intended as a mechanism to address registry operator complicity with and direct involvement in trademark infringement at the top or second level of their TLD. While this mechanism has not been used to date, the Working Group is considering high-level questions about the scope of the PDDRP, the validity of its purpose and whether it is accessible, among other issues.

For example, when compared with other available causes of action such as the US Anti-Cybersquatting Consumer Protection Act (“ACPA”), the PDDRP has a fairly high burden of proof. A complainant must establish that a

registry operator clearly and convincingly, through affirmative conduct, either (a) operated or used a gTLD string that is identical or confusingly similar to a complainant’s mark or (b) evidenced a substantial pattern or practice of specific bad faith intent to profit from the sale of trademark infringing domain names. The burden of proof under the ACPA is the more palatable “preponderance of evidence” standard.

As another example, stakeholders have questioned whether the roughly US\$30,000 filing fee is reasonable or operates as a barrier to entry for most potential complainants. On one hand, the cost is generally much less than litigation, but on the other hand, it could remain cost-prohibitive and deter otherwise meritorious claims from being filed. The PDDRP mechanism also does not entertain the possibility of a “class action”-style joint complaint, which may necessitate duplicative filing fees.

These types of issues will be the focus of discussions heading into and during ICANN 56. It will be critical for brand owners, as the primary potential complainants in PDDRP cases, to engage heavily to ensure the mechanism is improved to suit their needs.

### 2. Working Group Developing New gTLD Subsequent Procedures Continues to Flesh Out Threshold Inquiries

The Working Group on New gTLD Subsequent Procedures has recently finalized an initial outreach letter seeking early community input

on several threshold questions that will help craft refinements to policies for future applications for new gTLDs, including:

- Whether ICANN should permit additional applications for future new gTLDs;
- Whether ICANN should categorize and apply different application protocols to the respective types of new gTLDs (such as .Brand, geographic TLDs and community-supported TLDs);
- Whether future gTLDs should be applied for and assessed in “rounds” or whether there should be an alternative means of applying for and assessing future gTLDs;
- How best to maintain predictability without sacrificing flexibility while at the same time minimizing disruption to applicants;
- How best to facilitate broad community engagement in new gTLD application processes; and
- Whether to cap the total number of future gTLD applications or to impose a limit on a per-entity basis.

Developing answers to these questions will be critical for brand owners contemplating applying for .Brand TLDs. It is in the best interest of brand owners to have .Brand applications processed on a separate streamline track under the framework of a registry agreement that contains commercially reasonable terms. Participation by brand owners within the Working Group and the broader community during ICANN 56 will be critical to ensuring that practical decisions are made which comport with the unique .Brand TLD business model.

### 3. Efforts Continue to Devise a Possible Next-Generation gTLD Registration Directory Service to Replace WHOIS

Yet another key ongoing Working Group has been tasked with considering whether a novel “next-generation” gTLD Registration Directory Service (“RDS”) is needed to replace the current

WHOIS system. Under the WHOIS system, registry operators and registrars must collect certain domain name registration data from registrants and publicly display the data on a query-based web page. Such registration data includes the domain name itself, creation and expiration dates, the registrant name, organization, mailing address, email address, telephone and fax numbers, as well as similar information for possible administrative and technical contacts.

Access to accurate domain name registration data is critical for brand owners seeking to enforce trademark rights against counterfeiters, cybersquatters and infringers. The possibility of a new RDS paradigm, which is likely to take greater consideration of national privacy and data protection laws, could present a hurdle for brand owners who currently enjoy easy access to such data. For example, a conservative approach to national privacy and data protection laws could treat registration data as personally identifiable information. Brand owners may then be required to create a username and password to access registration data. Other limitations, such as use and disclosure limitations, may also be placed on data access.

The Working Group remains in the process of identifying possible RDS requirements. Early discussions will likely shape debate on the level of access to registration data as well as the obligations of contracted parties to collect, publish and store registration data. Thus, it will be critical to continue to monitor, and engage in, this Working Group to ensure that any replacement RDS is fair and balanced.

### 4. Registry Agreement Amendments Are Looming for Comment and Approval

On May 31, 2016, following several months of negotiations between registry operators and ICANN, ICANN [posted for public comment](#) proposed amendments to the [base new gTLD](#)

[Registry Agreement](#) (“RA”). All approved amendments to the RA will take effect for *all* new gTLD registry operators, including *all* .Brand registry operators. While negotiations are largely concluded, it is not too late for registry operators and other interested parties to get involved and provide input. Concurrent with the pending public comment period, which concludes on July 13, 2016, a dedicated session has been scheduled in Helsinki to discuss all proposed RA amendments. .Brand registry operators are encouraged to pay particular attention to the following amendments, which may have a negatively impact.

First, amendments to the RA specification on RPMs attempt to instill contractual deadlines for all registry operators to enter into “a binding and enforceable Registry-Registrar Agreement (“RRA”) with at least one ICANN accredited registrar.” These deadlines attempt to prohibit circumvention of the RPMs. For example, motivated registry operators might simply wait out prescribed sunrise and claims service periods, never accrediting any registrars through which sunrise registrations are made or trademark claims notices are sent.

Second, certain amendments attempt to limit the process by which the specification addressing .Brand TLDs may be modified. By way of background, this vital specification currently provides certain exemptions to [qualified registry operators](#) who wish to operate closed branded TLDs. For example, the operator of a closed branded TLD may be exempt from the requirement to offer a sunrise registration period or be granted a qualified exemption to the requirement to transition a .Brand TLD upon termination of the RA. Currently, .Brand registry operators may veto any changes to this specification. The proposed amendments would also create an unwarranted and unjustified ability for the Registry Stakeholder Group (“RySG”), which includes open TLD registry operators, to veto any changes to the specification.

During the Helsinki meeting and this public comment period, brand owners would be well advised to opine on the efficacy of proposed language in order to achieve sensible deadlines for registry operators to execute an RRA. Similarly, .Brand registry operators would be well advised to submit robust feedback concerning the newly added RySG veto as well as opine more broadly on wherever the proposed changes are effective for closed .Brands TLDs.

## 5. Enhancing ICANN Accountability “Work Stream 2” Efforts

The Cross-Community Working Group on Enhancing ICANN Accountability will hold a full-day working session focused on “Work Stream 2” issues on Sunday, June 26, 2016. Work Stream 2 issues, while important to improving ICANN accountability, have been identified as issues that could be deferred until after completion of the IANA stewardship transition. Currently, this work stream is poised to cover the following key issues:

- Jurisdiction, including considerations of ICANN as a US-based entity created and operating under California law;
- Enhancing Supporting Organization (“SO”) and Advisory Committee (“AC”) accountability (such as the GNSO and the GAC) to ICANN. This topic has been characterized as “watching the watchers” to ensure that those charged with keeping ICANN accountable also themselves remain accountable;
- Enhancing ICANN transparency, including that of the ICANN Board, the Ombudsman role and interactions with governments and limiting ICANN’s ability to deny transparency and disclosure requests; and
- Defining the modalities of how ICANN integrates human rights impact analyses within its mission, including possible

implementation of a “Human Rights Framework.” Contemplated principles include the freedom of expression (balanced against rights of authorship) and privacy.

For brand owners and registry operators located in the United States, the ability to sue ICANN domestically is of critical importance to maintaining ICANN accountability. Foreign stakeholders, particularly those representing foreign governments, are likely to advocate for an internationalized ICANN which operates outside the boundaries of domestic law. For example, foreign stakeholders have previously proposed reconfiguring ICANN as an international non-governmental organization (“INGO”) based in Switzerland.

Brand owners should also be wary of attempts to erode RPMs through implementation of cherry-picked human rights principles that prioritize the rights of registrants and Internet users over intellectual property rights. Although some may characterize the issues within this work stream as of limited importance, particularly when compared to accountability issues upon which the IANA transition was predicated, it remains vital for domestic brand owners and .Brand registry operators to participate in the current work stream to ensure outcomes remain balanced.

## 6. Geographic Names Issues Persist

The ICANN Governmental Advisory Committee (“GAC”) has multiple sessions in Helsinki dedicated to discussing geographic names issues. Once such session includes an open meeting of the GAC Geographic Names Working Group, which is dedicated to an update regarding the so-called “Argentina proposal.” A second session will address use of two-letter country codes and full country and territory names at the second level and will likely focus on

GAC evaluation of registry confusion mitigation plans designed to release all two-character domain names.

Although the current text of the Argentina proposal leaked prior to ICANN 55 in March 2016, the GAC has not provided any public updates on the matter since early 2015. The Working Group continues to refine the Argentina proposal on its private email list. The leaked text did not assuage community concerns that the original proposal, published in December 2014, (1) failed to identify any legal basis for governments to prevent the use of geographic names in the DNS and (2) would conflict with national trademark and free speech laws and international legal norms. Instead, the proposal still largely rests on a flawed assertion that blocking geographic and other culturally significant names at the top and second levels of the DNS would serve the public interest.

The Cross-Community Working Group on Use of Country and Territory Names as TLDs (“CWG-UCTN”) also has a working session during ICANN 56. It will focus on the use of three-letter country codes as TLDs. Currently, the CWG-UCTN is divided between ccTLD managers who wish to continue the current prohibition against using such names as gTLDs and members from the gTLD community who have advocated for the full release of all three-letter names.

ICANN 56 in Helsinki presents brand owners an opportunity to pressure governments and ccTLD managers (who are often affiliated with or overseen by a governmental authority) to abandon the Argentina proposal entirely and efforts to perpetuate prohibitions on two-letter, three-letter, and country and territory names as new gTLDs.

We look forward to continuing to provide you with key updates on ICANN matters following ICANN 56.

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