Intellectuele Rechten

Claims on the Internet

Flip PETILLION[1]
advocaat

1 Flip PETILLION is a litigation partner in Crowell & Moring's Brussels office where he practices in the Intellectual Property and International Dispute Resolution groups. He is chair of the TLD and Domain Names Practice of the firm and the chair of the Trademarks Practice of the Brussels office.

1. Two Thousand and Eleven will be remembered as the year in which historic decisions were taken regarding the future and further expansion of the Internet. Over the past few years, many people, companies and organizations have participated in a policy development process organized by the Internet Corporation for Assigned Names and Numbers ("ICANN") which will eventually result in a complete liberalization of the Domain Name System ("DNS"). The DNS is one of the Internet's core infrastructures, used by many in order to provide or obtain access to commonly used resources such as websites and email.

The impact of this liberalization effort, which is referred to as *the New gTLD Program*, is not to be underestimated. It may have a significant effect on how one of the world's most critical resources, the Internet, is used in the future. In the meantime, a large number of documents, working papers and guidebooks on the New gTLD Program have been written and published, interested parties have filed their application for operating one or more new gTLDs and ICANN is currently evaluating these applications, while fine-tuning its policies.[1]

In this article we will give an overview of the current state of affairs as well as recommendations on how to approach ICANN's New gTLD Program. We explain the several steps of the application process. In addition, we consider a number of questions that are relevant for parties faced with competition for a particular extension or opposition from third parties, or when considering whether to oppose an application. Finally, we look at the various options available to companies and organizations to safeguard their trademark rights in the context of ICANN's New gTLD Program.

I. Some Basics about Domains and Domain Names

2. Once connected to the internet, every computer has a unique identifying Internet Protocol address or an "IP address". Each IP address can be substituted with an easy to remember set of characters or letters which become the domain name. The domain names have become part of addresses of websites or email addresses. The Domain Name System helps make the Internet more accessible by allowing users to type in a domain name instead of an IP address, for example typing 'www.google.com' rather than typing 74.125.134.26.

Each domain name is followed by a top-level domain (TLD), *i.e.* the 2 or more letters that follow the dot. TLDs – also referred to as 'extensions' – are grouped into two categories: generic top-level domain (gTLDs) such as .com, .mobi, and .info, and country code top-level domains (ccTLDs) such as .us, .ca and .uk. 'ccTLD' is the abbreviation for country-code Top-Level Domain – the top-level domains that identify a country or territory. There are approximately 250 ccTLDs in existence such as .ca for Canada, .jp for Japan, and .eu for the European Union. 'gTLD' is the abbreviation for generic Top-Level Domain. The 22 gTLDs currently available include .com, .org, and .info.

1 All information can be found on ICANN's website: http://www.icann.org

A registry operator manages the TLD and maintains the registry database including the domain names registered therein. ICANN is in charge of the DNS. ICANN is the abbreviation for "Internet Corporation for Assigned Names and Numbers", a not-for-profit public-benefit corporation formed in September 1998. Prior to ICANN, the DNS was managed by an agency that belongs to the United States government, the Internet Assigned Numbers Authority ("IANA"). ICANN's primary mission is to coordinate, at the highest level, the Internet's systems of unique identifiers globally, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems, which is the DNS.

ICANN is governed by a Board of Directors, with representation from most, if not all, of its stakeholder groups. These stakeholder groups are involved in the various decisions taken by ICANN through a bottom-up policy making process, ensuring input from users of the Internet community. The stakeholder groups include, amongst others, the Generic Names Supporting Organization ("GNSO"), the country code Names Supporting Organization ("ccNSO), and the Government Advisory Committee ("GAC").

ICANN was created at the end of the previous millennium through a Memorandum of Understanding between the United States Department of Commerce and ICANN to transition management of the DNS from the United States government to the global community. Since its establishment, ICANN has gradually obtained more independency, in particular from the United States Government.

Whereas the initial Memorandum of Understanding, entered into by ICANN and the US Department of Commerce ("DOC"), defined joint tasks, roles and responsibilities, the so-called "Affirmation of Commitments", signed in September 2009, included a confirmation by the DOC of ICANN's role and status as a global and private sector led organization responsible for the technical coordination of the DNS.

Nonetheless, this does not mean that governments do not take part in ICANN's policy development and decision making processes. The GAC plays an increasingly important role in order to ensure that ICANN takes into account the concerns of governments, particularly in matters where there may be an interaction between ICANN's policies and national and regional laws or international agreements.

ICANN has external as well as internal accountabilities. Externally, ICANN is an organization incorporated under the law of the State of California in the United States. That means ICANN must abide by the laws of the United States and can be called to account by the judicial system. This means that, amongst other things, ICANN can be taken to court. ICANN is also a non-profit public benefit corporation and its directors are legally responsible for upholding their fiduciary duties. Internally, ICANN is accountable to the community of global Internet users and must operate within its own Bylaws and within the remit of the Affirmation of Commitments.

According to these Bylaws, disputes with ICANN may be resolved using one of three alternative dispute resolution procedures: the Board Reconsideration Committee; the Independent Review Panel; and ICANN's Ombudsman.

II. The economics of Top Level Domains

3. The Internet Corporation for Assigned Names and Numbers (ICANN) is presently evaluating applications for new generic top-level domains (gTLDs) filed in 2012. Any applicant that can demonstrate the financial, organizational and technical ability can have its own TLD "extension."

A TLD must have a minimum of 3 characters (and maximum of 63) and can only be made up of letters (no numbers, no hyphens). A new TLD can also be in non-Latin script, making it an International Domain Name or IDN.

Only legal entities can apply. Individuals cannot apply. Applicants need to be financially, administratively and legally sound to apply. Cybersquatters need not apply. An applicant's background is checked and applicants with a (recent) history of cybersquatting shall not be allowed. Applicants are screened at the start of the evaluation process before their application is allowed to progress.

Applications have been publicized. Details of all applications have been published once the application window has closed in May 2012. Financial information, sensitive company information and specific technical information was not published.

Because of the publication of all applications prior to their evaluation by ICANN, organizations that did not apply are still able to find out about potentially problematic applications before applications are approved, thereby leaving them time to act (*e.g.*, by filing an objection).

Parties that did apply often did so because a TLD can offer greater control over an entity's Internet presence. It offers control over internal and external communication, an increase of cost control, control of Intellectual Property, image control, technical control.

A TLD can become the focal point of a company's Internet presence, both for internal (administration, staff) and external (distributors, customers, media, investors) users. A company can register its own domains in its own TLD. It won't have to fight others for a domain name, or pay a premium for the domain it wants on the aftermarket. It can even open up its TLD to sell/offer domain names to dedicated individuals or the public at large and make money from running a TLD (if the chosen string lends itself to (dedicated) public use). Once a gTLD is granted, the company will act as a registry operator and be in control of the registration rules. It can determine that certain domain names can never be registered by anyone else (all their trademarks or product names for example). It can offer customers their very own domain name in the gTLD, thus helping to rationalize the portfolio of domain names and trademarks. By being one of the new gTLD pioneers, *i.e.* those applicants that are there in the

first round that is open to the general public, companies may strengthen their image as innovators and technology leaders.

Operating a TLD means that the entire registration system is under the control of the TLD owner. Companies can create their own technical infrastructure or negotiate the location/jurisdiction of the domain name servers with the technical back-end operators and specify the technical criteria of these servers. This is something that was simply impossible through a traditional domain name in existing TLDs such as .com or .info, because the registrant of the domain name depends on a registrar and a registry operator to keep its domain name online. For example, with a TLD, international shipping companies can ensure that all their global routing systems are more secure. A transportation company using the domain *transportationcompany.com* as the basic scan address for all its bar codes would have to account for a critical point of potential failure that is outside its control, but would retain complete control with a *.transportationcompany* registry. Banks would be able to ensure that their online transactions are done in a fully sealed environment. Network operators would not need to depend on outside companies to guarantee their customers' Internet access.

For others, a TLD may be a monetizing opportunity. When implemented appropriately, a company can use a gTLD to generate direct revenues from the registration and renewal of domain names in the gTLD. For example, entities may be willing to pay money to register a domain under an extension such as '.shoes' or '.car'. Second-level registrations within geographical extensions for cities such as '.nyc', '.paris', '.vlaanderen', 'brussels', or '.gent' might also be attractive to businesses that operate in that area or want to be associated with it.

III. Delegation of gTLDs

4. One of ICANN's missions and principal objectives is to promote competition and develop policy concerning the Internet's unique identifiers, in particular in the gTLD space.

In order to do so, ICANN has expanded the number of gTLDs already twice since its inception: in 2000, when new gTLDs like .INFO and .BIZ became established; and in 2003, out of which came .MOBI, .ASIA and .TEL as the most well-known extensions.

One of the main policy making bodies within ICANN, the Generic Names Supporting Organization ("GNSO") determined that these so-called "trial rounds" gave sufficient insight in order for ICANN to establish a process and a policy for a complete liberalization of the gTLD namespace. In 2007, the GNSO established a set of principles, guidelines and recommendations for ICANN to implement what is now known as the "New gTLD Program". Since 2007, ICANN staff has been working together with a number of independent experts in order to effectively implement those principles, guidelines and recommendations into a workable policy for this Program.

These policies are part of the New gTLD Applicant Guidebook which was approved by the ICANN Board on June 20, 2011 and updated twice since that date. This document mainly encompasses an application process, an evaluation process, and a dispute resolution / objections process. Under this policy, applicants for new gTLDs must demonstrate to ICANN their operational, business, technical and financial capability in order to obtain a proprietary top-level domain, such capabilities will be assessed on the basis of objective, measurable and transparent criteria.

ICANN received 1930 applications for new gTLDs. New gTLDs can be brought under one of the following (non-official) categories: cities; corporations or brands; industries; regional; language and cultural communities; and "true" generic TLDs.

IV. Domain names in TLDs?

5. One or more accredited registrars register all domain names within a gTLD or a ccTLD. A registry operator of a ccTLD may allow direct registrations via the registry itself. It is the registrar's job to check the availability of a domain name with the relevant registry and then execute the registration transaction with the registry operator. This table illustrates the different parties and their respective roles:

Holds a domain name	Registrant
Registers domain names	Registrar
Is responsible for a TLD	Registry operator
Is in charge of the DNS	ICANN

There are second-level and third-level domain names. A second-level domain is the portion of the domain name which precedes the top-level domain for example, the "google" in "google.com". A third-level domain name, or a 'subdomain', is the portion of the domain which precedes the second-level domain name and it typically used to categorize special sections of a website, for example, the "bbc" in "bbc.co.uk".

An Internationalized Domain Name or 'IDN' is the international representation of a domain name *i.e.*, domain names which contain characters with accents or other marks (é) or characters from non-Latin scripts, such as Arabic or Chinese.

V. The New gTLD Program

6. The new gTLD program is an initiative that enables the introduction of new gTLDs beyond the current 22 gTLDs available. ICANN hopes that the new

gTLDs will encourage competition in the domain name market by allowing entrepreneurs, businesses, governments and communities around the world to apply for operating a Top-Level Domain of their own choosing.

The decision to establish the New gTLD Program followed a detailed and lengthy consultation process with all constituencies of the global Internet community. Representatives from a wide variety of stakeholders – governments, individuals, civil society, business and intellectual property constituencies, and the technology community – were engaged in discussions for over 4 years. In October 2007, the Generic Names Supporting Organization (GNSO) – one of the groups that coordinates global Internet policy at ICANN – completed its policy development work on new gTLDs and approved a set of recommendations. Contributing to this policy work were ICANN's Governmental Advisory Committee (GAC), At-Large Advisory Committee (ALAC), Country Code Names Supporting Organization (ccNSO) and Security and Stability Advisory Committee (SSAC). The ICANN Board of Directors adopted the policy in June 2008.

There are eight gTLDs that predate the formal establishment of ICANN as an organization. These are: .com .edu .gov .int .mil .net .org .area. ICANN held two previous application rounds, one in 2000 and another in 2003-4, where several proposals were submitted and evaluated. The gTLDs approved during the 2000 round were: .aero .biz .coop .info .museum .name .pro. The gTLDs approved during the 2004 round were .asia .cat .jobs .mobi .tel .travel.

Applications received during these rounds were evaluated against previously-published criteria, and successful applicants went on to sign TLD Registry Agreements with ICANN. ICANN learned from these previous rounds and developed the New gTLD program to further liberalize the internet extensions in a controlled manner.

The Generic Names Supporting Organization (GNSO) created the policy applicable to gTLDs under what is known as the GNSO policy development process (as defined within the ICANN Bylaws). It was the GNSO's intention to create a standing policy to guide the introduction of new gTLDs. ICANN has translated the GNSOs recommendations into what is known as the Applicant Guidebook – a guidebook explaining the application process and delegation criteria for all applicants.

The new gTLDs should not affect the way the Internet operates, however it could potentially influence online business plans and/or structures or the way people find information and the information search engines index.

Aside from a set of reserved gTLDs that are unavailable for general use, every proposed gTLD extension will have a set of specific technical rules which apply. For example an application for an ASCII string (as opposed to an IDN), must be composed entirely of alphabetic characters, and applicants for a gTLD that is a geographic name must meet additional requirements, such as a letter of government support.

IDNs have been delegated as country code Top-Level Domains (ccTLDs) in previous processes and will be delegated as new gTLDs.

As a consequence, domain names could contain characters with diacritical marks as required by many European languages, or characters from non-Latin scripts; for example, Arabic or Chinese. IDN top-level domain names will offer many new opportunities and benefits for Internet users around the world by allowing them to establish and use top-level domains in their native languages and scripts.

ICANN distinguishes "standard" gTLDs (default) and "community-based" gTLDs. A community-based gTLD is "*a gTLD that is operated for the benefit of a clearly delineated community*". Upon certain conditions, an application for a community-based gTLD can have priority over an application for an identical or confusingly similar standard gTLD. Only in cases of contention with an identical or confusingly similar applied-for gTLD, the community character of the application may be examined. If the criteria for a community-based gTLD are not met, the application will be considered a standard application and not have priority over other applications. A "standard" gTLD is "*an application that has not been designated as community-based*".

VI. The Applicant Guidebook

7. The Applicant Guidebook is the manual for the application procedure – it guides the applicant through the process detailing the requisite documents and information, the financial and legal commitments and even what to expect during the application and evaluation periods.

ICANN's strategy in releasing the Applicant Guidebook in drafts was to allow for public comment and also to grant the Internet community an opportunity to influence the final set of criteria and processes.

The Applicant Guidebook describes in detail which information is required by ICANN in order to successfully apply for a new gTLD in the context of ICANN's process.

Generally speaking, ICANN requires applicants for new gTLDs to describe their administrative, operational, technical and financial capability to launch and operate a new gTLD extension for a term of at least ten years. There are 50 different questions on which basis such capability will be determined by external evaluators to be appointed by ICANN.

ICANN is asking for detailed information from the applicants because it is responsible for preserving the security, stability and global inter-operability of the Internet – to ensure this is achieved ICANN will expect new gTLD registries to comply with ICANN's contract and to follow all best practices and standards. Extensive scrutiny of each applicant is therefore necessary.

VII. Applying for a gTLD

8. It is clear that applying for a new gTLD is not the same as registering a domain name. A registrant registers a domain name via an accredited registrar. Registration and renewal fees and registrant terms and conditions apply to the registrant.

Applying for a new gTLD is a more complex process: an applicant in this case is applying to create and operate a registry business supporting the Internet's domain name system which involves a number of significant responsibilities since a successful applicant would be running a piece of visible Internet infrastructure.

The application process for new gTLDs is not the same as in previous gTLD application rounds. There may be some similarities to previous gTLD application rounds but the application process is essentially different. In previous rounds, the gTLD application process was very much a beauty contest.

In the present round, ICANN will evaluate applications based on predefined objective criteria. Any established public or private organization which can demonstrate the operational, technical and financial capability to run a registry could file an application. ICANN will only enter into an agreement with the applicant. There's no provision for Party X to enter a registry agreement with ICANN designating Party Y as the registry operator. Subject to the conditions of the Registry Agreement with ICANN, Party X can outsource the operation of the registry to Party Y, but will remain the contract party to ICANN.

The application round opened on January 12, 2012. Candidates applied via an online application system called the TLD Application System (“TAS”).

All new gTLDs are expected to be operational and this is why a detailed plan for the launch and operation of the proposed gTLD must be submitted as part of the application process. The launch of gTLD program is to encourage competition and innovation in the Internet marketplace – if a successful applicant does not progress the gTLD into the root system within 12 months of the gTLD being granted, ICANN can terminate the registry agreement.

There are a number of distinct steps in the application process for new gTLDs:
1. Application preparation and submission;
2. Application evaluation;
3. Contract negotiation and execution; and
4. New gTLD delegation.

After having completed these steps, the successful applicant for the TLD will be able to start registering domain names in the TLD, which will allow the introduction of websites and emails.

VIII. Objection & Dispute Resolution

9. ICANN has posted on its website the list of strings, applicant names and other application data once it had verified all the applications for completeness.

It is possible to object to an application by initiating court action. Post publication of the applicant list, third parties will also have the opportunity to file a formal objection using pre-established Dispute Resolution Procedures (DRP). These objections will be administered by independent Dispute Resolution Service Providers (DRSP) in all but exceptional circumstances, and not by ICANN.

Under the DRP, an objection can be put forward on the following grounds:

- String Confusion Objections: The applied-for gTLD string is confusingly similar to an existing TLD or to another applied for gTLD string in the same round of applications. Objectors can be existing TLD operators or a gTLD applicant in the current round.
- Legal Rights Objections: The applied-for gTLD string infringes the existing legal rights of the objector. Objectors can be rights holders, for example, trademark holders.
- Community Objections: There is substantial opposition to the gTLD application from a significant portion of the community to which the gTLD string may be explicitly or implicitly targeted. Objectors can be an established institution associated with a clearly delineated community.
- Limited Public Interest Objection: The applied-for gTLD string is contrary to generally accepted legal norms of morality and public order that are recognized under principles of international law such as racially abusive strings.

Each ground of objection will dictate which DRSP will manage the dispute process: String Confusion Objections will be managed by The International Centre for Dispute Resolution (ICDR). The ICDR, based in New York has cooperative agreements with arbitral institutions around the world to help facilitate the administration of its international cases.

Legal Rights Objections will be managed by The Arbitration and Mediation Center of the World Intellectual Property Organization. The WIPO Arbitration and Mediation Center based in Geneva, Switzerland, was established in 1994 to offer Alternative Dispute Resolution (ADR) options for the resolution of international commercial disputes between private parties.

Both Limited Public Interest Objections and Community Objections will be managed by The International Chamber of Commerce (ICC). The ICC was established in 1919 and is a world-renowned dispute resolution provider based in Paris, France.

IX. Evaluation of New gTLD applications

10. After the application window, there are several evaluation stages, each with its own estimated duration. During the evaluation process, ICANN will check whether the application meets the requirements. ICANN will first check whether or not an application is administratively complete (Have all mandatory questions been answered? Have all required supporting documents been provided in the proper format(s)? Have the evaluation fees been received?). Except exceptional circumstances, an application that is not administratively complete will not be accepted.

Then, ICANN will perform the Initial Evaluation. The Initial Evaluation will start with a background screening on the applicant, in order to avoid applications from known cybersquatters. Afterwards, ICANN will check whether the application meets the administrative, operational, technical and financial requirements.

If an application passes the Initial Evaluation and there are no objections, no GAC Advice and no identity or confusing similarity with another (applied-for) gTLD, the application will immediately move to the delegation phase.

Applicants failing certain elements of the Initial Evaluation process can request an Extended Evaluation. In the context of Extended Evaluation, the applicant shall be entitled to exchange additional information with the evaluators in order to clarify information contained in the application. An additional payment will be required.

Application criteria against which each application will be assessed are set out in the Applicant Guidebook.

Pre-selected evaluation panels will use a point scoring system to assess answers to the 50 questions posed in the application form and will also consider among other things, what influence the applied for gTLD could have on stability of the DNS and whether the applied for gTLD is confusingly similar to existing gTLDs, etc.

There is a minimum pass score applicable to most sections of the application form which must be achieved for the application to progress.

Since it is not possible for two or more identical strings to occupy the Internet space, the String Contention procedure would come into effect should there be applications for identical strings. The String Contention procedure in the first place aims at parties self-resolving the contention by mutual agreement.

If there are two or more applications for confusingly similar strings, only one application can be granted and therefore the String Contention procedures would come into effect. Applicants always have the opportunity to resolve contention by a mutually agreeable settlement amongst themselves.

ICANN selected the various evaluation panelist through a call for 'Expressions of Interest'. Each panelist must abide by the Code of Conduct and Conflict of Interest guidelines included in the Applicant Guidebook.

The main evaluation panels are:
- String Similarity Panel: This Panel is tasked with assessing whether a proposed gTLD string is likely to result in user confusion due to similarity with any reserved name, any existing TLD, any requested IDN ccTLD, or any new gTLD string applied for in the current application round. This assessment will take place as part of the String Similarity review at the Initial Evaluation stage.
- DNS Stability Panel: This Panel must determine whether the proposed string might adversely affect the security or stability of the DNS. This will occur during the DNS Stability String review at the Initial Evaluation stage.
- Geographical Names Panel: This Panel is responsible for the review of each applied-for gTLD to determine whether it represents a geographic name. In the event that the string represents a geographic name and requires government support, the panel will also review and verify the supporting documentation.
- Technical Evaluation: This Panel will review the applicant's technical and operational capability of running a gTLD registry as proposed in its application. This review takes place during the Technical/Operational reviews at the Initial Evaluation stage, and may also occur in the Extended Evaluation stage if necessary.
- Financial Evaluation Panel: This Panel will review an applicant's financial capability of maintaining a gTLD registry against the relevant business, financial and organizational criteria contained in the Applicant Guidebook. This review takes places during the Financial review at the Initial Evaluation stage, and may also occur in Extended Evaluation stage if necessary.
- Registry Services Panel: This Panel will look for any adverse impact on security or stability of the registry services proposed in the application. If applicable, this review will take place during the Extended Evaluation period.

X. Delegation of New gTLDs

11. Once an application passes all the evaluation and selection processes, including objection processes and final approval, it will enter the Pre-delegation stage. During this stage, the applicant will enter into an agreement with ICANN and be expected to pass technical tests before the new gTLD is delegated to the root zone.

New gTLDs are being introduced carefully so that the process does not cause instability in the Internet.

A maximum of 1000 new gTLDs can be delegated per year. ICANN will first evaluate and delegate the IDNs. Other gTLDs will be delegated in function of a prioritization number that was provided in a draw.

The successful applicant for a particular new gTLD will obtain an exclusive right to operate the applied for gTLD. Having become a registry operator, he will become a "trustee" of the top level domain for the global Internet community.

XI. Using a TLD

12. The term of a Registry Agreement shall, in principle, be for a period of ten years.

The ten-year initial period can be indefinitely renewed for one or more successive terms of ten years, unless terminated by either party. Insofar and to the extent there are no reasons for ICANN or the Registry operator to terminate the agreement, the contract with ICANN can be renewed for one or more additional terms.

A TLD cannot be transferred to a third party without ICANN's prior written approval.

ICANN does not have a process for changing the TLD. If, for some reason, a registry operator wants to change the extension after a delegation, it will need to submit another application with ICANN in a future round. It will only be possible to submit an application for TLDs that are available at that point. In other words: it will not be possible to obtain a TLD that is identical or confusingly similar to a TLD that has been allocated (or is still in the process of being allocated) to a third party.

If a trademark underlying an application is changed, changing the TLD itself shall not be possible. In such cases, a new application will need to be submitted to ICANN.

Applicants are advised to avoid the situation where they need to revert back to ICANN for any change of the intended use of the TLD. The costs, efforts and in some cases, lost time, of negotiating and implementing such changes are not to be underestimated.

XII. Trademarks and Domain Names in New gTLDs

13. There is no sunrise period for trademark holders for obtaining a gTLD and the onus to bring an objection to a proposed gTLD rests wholly on the trademark holder. There are however some protection mechanisms built into the application process.

First, rights holders can raise a Legal Rights objection to demonstrate that a proposed gTLD would infringe their legal rights. A successful objection will prevent the progress of that gTLD application.

Second, applicants are required to describe proposed rights protection mechanisms for second-level registrations. This mechanism must meet certain minimum standards as described in the Applicant Guidebook.

Third, all new gTLDs must ensure that second-level registrations are subject to ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP), a process that has worked well to protect rights for many years.

Finally, other solutions which ICANN has formulated after consulting closely with the trademark community include a trademark clearinghouse, the uniform rapid suspension system (URS), and a trademark post-delegation dispute resolution procedure (PDDRP):

- Trademark Clearinghouse: The launch of every gTLD must be preceded by a process whereby brand owners will have the opportunity to protect their trademarks at the second level (i.e. as a domain name) in such TLD. A "Trademark Clearinghouse" will be established in order to facilitate this mandatory sunrise period for domain name allocation within a new gTLD. The Trademark Clearinghouse will be a database holding validated trademark information in relation to domain names and will provide a centralized location for storage and authentication of trademark information. The Trademark Clearinghouse will also support the Trademark Claims service which is another mandatory process preceding the launch of a new gTLD. The Trademark Claims Service provides notice to potential registrants of existing trademark rights, as well as notice to rights holders of relevant names registered;
- URS: The URS has been established to complement the Uniform Dispute Resolution Procedure (the "UDRP") and should provide a faster and less expensive process for resolving clear-cut cases of infringement. It is intended that the URS will also provide for the temporary suspension of an abusive domain name; and
- PDDRP: A rights holder can bring a complaint under the PDDRP if they believe a registry operator is actively engaging in or contributing to infringing behavior.

XIII. ICANN cases

14. So far, among other litigations, two important cases have been conducted against ICANN.

On February 19, 20120, an Independent Review Panel declared ICM Registry the prevailing party in the first-ever ICANN Independent Review Process.[2] The process, which arose out of ICANN's treatment and ultimate rejection of ICM's 2003 application for the .XXX TLD, was conducted under the ICDR's International Arbitration Rules and ICANN's Supplementary Procedures.

ICM argued that ICANN had initially approved, in full compliance with ICANN's mission and the processes established for the evaluation of applica-

2 http://www.icann.org/en/news/irp/icm-v-icann

tions, ICM's application for the TLD .XXX. However, in stark contrast to the treatment of other TLD applications submitted in 2003, and in violation of the established processes, ICM was then subjected to drawn-out negotiations that ended with a reversal of the earlier approval and the application's eventual rejection. This rejection was a result of belated and improper pressure from the United States government, and the reasons given for the rejection did not comply with ICANN's published evaluation criteria. The rejection was clearly based on the content to be included in the .XXX domain, and violated ICANN's commitment to follow its published guidelines, its obligation to act in good faith, and its responsibility to comply with both international law and its own Bylaws and Articles of Incorporation, including the provisions which obligate it to remain independent of national governments and to act in accordance with its narrow technical mandate.

In a majority decision after a five day hearing held in Washington, DC, the Panel held that ICANN's handling of ICM Registry's application to run the .xxx top level domain violated ICANN's Bylaws and Articles of Incorporation, as well as international and California law, and assigned responsibility to ICANN to pay approximately $480,000 to cover the costs of the process.

The award was extremely significant, both procedurally and substantively, for ICANN and the future of internet governance. ICANN's dispute resolution procedures had never been tested before. The proceedings were followed with some interest by those in the Internet community who were concerned with ICANN's commitment to its espoused values of accountability, fairness and respect for the rule of law. In that respect, both ICANN and ICM have benefited from the independent review. The Panel was composed of three international jurists of extraordinary credentials and expertise, and the award demonstrated that they considered the facts and the parties' arguments with great care. The detailed, reasoned decision demonstrates the procedural integrity of the Independent Review Process.

The Panel's holding that general principles of law, including, importantly, principles of international law, apply to matters of internet governance, was a ground-breaking development.

Another case was initiated by Employ Media that is the registry of the .JOBS sTLD.

Employ Media is the licensed operator of the .JOBS sTLD. Its role as registry operator makes it responsible for the allocation of domain names ending in the .JOBS suffix. .JOBS was established to serve the needs of the international human resource management community with policy formulation provided by the Society for Human Resource Management.

For the first several years of operation, the .JOBS sTLD was limited to domain names in the form of "companyname.jobs", but in May 2010, the sponsoring organization for .JOBS concluded that the community would benefit from the ability to register "non-company" domain names in .JOBS. This expansion in the types of domain names that could be registered would include geographic,

industry, and occupational terms, such as Cleveland.jobs or nurses.jobs. Employ Media sought and received permission from ICANN to implement the change.

Certain fee-based job boards, however, opposed this change on the basis that it would create new competition for their businesses, and pressured ICANN to prevent .JOBS from implementing the approved expansion in domain names. Finally, as a result of that pressure, ICANN issued a Notice of Breach, attempting to terminate the .JOBS Registry Agreement on the grounds that Employ Media breached the Registry Agreement by allowing registration of new types of domain names (*i.e.*, names other than on companynames.jobs).

On May 3, 2011, Employ Media filed a Request for Arbitration with the International Chamber of Commerce in Paris, invoking the arbitration provisions in the Registry Agreement and contesting the Notice of Breach.

Employ Media's arbitration filings contain a detailed history of the lengthy and thorough process that ICANN utilized in approving Employ Media's plans – not once, but twice – to expand the initial .JOBS platform. The company's plans were fully disclosed and debated during that process and were approved overwhelmingly by the ICANN Board of Directors. And the benefits to the .JOBS community were clear: within months of the registration of the first non-company domain names in .JOBS, more than 900,000 jobs were being listed on a daily basis from nearly 90,000 participating employers, and well over a million job seekers visited the new websites.

After Employ Media submitted its legal brief and several sworn declarations from Employ Media's executive team and a representative from the .JOBS sponsoring organization, the Society for Human Resource Management, ICANN agreed to withdraw its Notice of Breach and the ICC arbitration was settled. Ultimately, ICANN acknowledged that Employ Media was in full compliance with its Registry Agreement, and could continue its build out of the .JOBS domain.[3]

3 http://www.icann.org/en/news/litigation/employ-media-v-icann