

Curtis Kularski
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Intellectual Property Rights in New gTLD Domain Registration and Dispute Resolution Policies

In 2011 Internet Corporation for Assigned Names and Numbers (ICANN), an organization operating the Internet's naming structures on behalf of the United States government, opened the top-level domain space to new options beyond the initial seven top-level domains that were created in 1984 at the beginning of the domain naming system (DNS) (Postel & Reynolds, 1984). The addition of new top-level domains has occurred several times in the past, but in limited quantities. The 2011 expansion occurred as part of a larger program by ICANN to introduce hundreds of new generic top-level domains without a pre-defined limit. Due to the large number of new domains ICANN was challenged by Intellectual Property (IP) advocates. As a result of the challenges and other community commentary with regard to branding and trademark defense ICANN supplemented their existing policies for domain dispute resolution to allow trademark holders to proactively block registrations across all new gTLDs before registration opened. The previous Uniform Dispute Resolution Policy (UDRP), which allowed for arbitration of contested domains, was also updated with new policies allowing contested domains to be suspended quickly and at little cost to an IP rights holder compared to the previous UDRP procedures. The new policies are highly advantageous to IP rights holders, but can be damaging to entities with fewer resources (such as individuals) or without a legally registered mark.

History and Authority

The modern named structure of the Internet operates on a network protocol referred to as the Domain Name System (DNS). DNS has technical components, such as the protocol itself, but it also exists as a social and political system. DNS requires a centralized authority from which to operate to be an effective globally ubiquitous system. This central authority is referred to administratively and technically as the root zone. Inside the root zone there are various other domains, referred to as top-level domains (Postel, 1994). Top-level domains may be generic (COM, NET, ORG, etc) or country-code (US, UK, CN, JP, etc). Top-level domains are not in themselves meant to be usable address identifiers, only administrative realms in which other domains exist (Postel & Reynolds, 1984). Each top-level domain operates independently as its own administrative realm. Organizations and individuals are permitted to register for domain names under the top-level domains (Postel, 1994).

The domain naming system became operational in 1984. At that time there were no restrictions on registrations and no protections for IP rights holders. Policies and procedures for domain registrations were limited to technical concerns only as the Internet had not reached a level of social and cultural saturation that would warrant further protections. The Defense Data Network- Network Information Center (DDN-NIC) initially controlled DNS and all domain registrations. The National Science Foundation created an independent entity called InterNIC to manage domain registrations in 1993 (Williamson, 1993). In 1998 ICANN was created and control of all Internet naming and address assignment was delegated to that organization by the United States Department of Commerce. ICANN was created out of a need for a more comprehensive management of Internet address and technical resources than was provided by the network information center model utilized by the prior administrative agencies. ICANN's charter established it as not only an administrative body, but also a policy body operating under the

authority of the United States government. As of March 10, 2016 ICANN was in the process of becoming an autonomous governing body independent from oversight from any single sovereign nation (Farrell, 2016).

In 1984 there were seven generic top-level domains (Postel & Reynolds, 1984). Some expansion of the top-level domains occurred on a limited basis in 2001. In 2008 there were 21 generic-top level domains (Alramahi, 2008). Of those 21 top-level domains only 14 were open for registration without restriction based on governmental policy, specific industry affiliation or professional accreditation. ICANN states “The New generic Top-Level Domain Program was developed to increase competition and choice in the domain name space.” (Internet Corporation for Assigned Names and Numbers, 2013). Moe Alramahi expands on this notion to indicate that the expansion of the top-level domain options have historically occurred due to an acknowledged overlap in names and registered marks across geographic regions and across industries (Alramahi, 2008). This overlap does not only affect registered rights holders, but almost any entity seeking to create an online identity using a domain name, as most words and short combinations of words have been registered previously, either for legitimate uses or through cybersquatting (Brown, 2012). The mission of the legacy top-level domains was specified to provide a space in which computers, in most cases web servers, could be assigned short human-usable domain names (Postel, 1994). From the perspective of that mission, most gTLDs have become ‘full’.

As of 2016 there are over one-thousand generic top-level domains delegated in the root zone with more delegations occurring each week (Internet Corporation for Assigned Names and Numbers, 2016). This increase in scale is central to the concerns expressed by Intellectual Property advocates.

Social Climate

Due to organizational isomorphism and other social factors the COM top-level domain became the accepted standard for brand identity representation on the Internet. In the early 1990s established companies began expanding into the online space and registered in the appropriate namespace (COM for commercial entities). As COM quickly became the most visible of the top-level domains it gained a sense of standardization and was a symbol for the Internet itself to many early Internet users (Goodnight & Green, 2010). The original specification that created the initial set of top-level domains, RFC 920, specified ORG as the only top-level domain that would be appropriate for entities that were not governmental entities, educational institutions, commercial companies or network operators (Postel & Reynolds, 1984). Due to the popularity of the Internet occurring during and because of the success of commercial entities on the Internet COM took on a more broad generic meaning than was initially intended.

An initial attempt to expand the top-level domains in 2001 was mostly unsuccessful due to the decline of the dot-com boom (lack of new growth) and because the limited set of new top-level domain strings was inadequate to overcome the social structures that had been created around COM (Goodnight & Green, 2010; Alramahi, 2008).

Cybersquatting

The need for IP protections in the domain registrations arose due to cybersquatting. Cybersquatting is a form of malicious domain name registration wherein an entity registers domain names that they do not intend to use, but instead attempt to sell to a brand holder or other interested party willing or able to pay a premium price for the domain name (Hull, 2000, p. 56). Cybersquatting is an intentional infringement of either trademark rights or presumptive identity rights. Cybersquatting is difficult to eliminate because the cost to create an infringing domain

name is relatively low, whereas the cost to defend the trademark can be prohibitively high for some rights holders.

Existing Protections

There is an established history of trademark protections with regard to the registration of domain names. Prior to the formation of ICANN the Federal Trademark Dilution Act protected trademark holders from clear mark dilution. In 1999 the Anticybersquatting Consumer Protection Act was introduced in the United States. Also in 1999 ICANN adopted the initial version of the Uniform Domain-Name Dispute-Resolution Policy (UDRP) to affect all domain name registrations globally in coordination with the United Nations World Intellectual Property Organization (WIPO).

The UDRP is the primary protection relied upon by rights holders to protect their trademarks in legacy top-level domains. UDRP provides for rights holders to make a formal protest to a domain name registration by making specific charges with regard to the lack of legitimate interest in the domain by the registrant, the registrant's intention to infringe upon their trademark or the registrant is otherwise acting in bad faith with regard to the registration. Three conditions must be met in order for a complaint to be made under UDRP:

- “(i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) you have no rights or legitimate interests in respect of the domain name; and
- (iii) your domain name has been registered and is being used in bad faith.”

The first two points stand as written and are not further elaborated upon in the policy, but the third point is defined separately. A “bad faith” registration is defined in detail in the policy, but includes criteria such as: purchasing the domain with the intention of selling the domain profit

(especially to the trademark holder), purchasing the domain to disrupt a competitor's business or intentionally confusing consumers. All entities registering a domain name in 1999 or later are required to accept a registration agreement that specifically requires consenting to utilize the UDRP procedures in the event the registered domain name is in dispute. Under the terms of the UDRP a domain dispute can be resolved by an approved arbitration organization (Internet Corporation for Assigned Names and Numbers, 2012). A difficulty with the UDRP process is that it places the burden of the expense of arbitration on the rights holder.

The Anti-Cybersquatting Consumer Protection Act is a legal protection for trademark holders in the United States only. It allows for local civil legal recourse through the court system to defend a registered trademark. Similar to the UDRP the act protects IP rights holders from bad faith registrations and directly infringing behavior using the exact trademark or a confusingly similar name (Hull, 2000, p. 56).

New Intellectual Property Policies Affecting New gTLD Registrants

When creating the new gTLD program ICANN was under pressure from IP rights advocates to increase protections for trademark holders (Brown, 2012). As a result, ICANN wrote additional protections into the standard registry operator contracts that must be executed before a new TLD can be delegated in the root zone. Whereas the existing UDRP protections are designed to protect trademarks after a domain name has been registered the new policies are designed to protect trademarks before a TLD is open for general registration.

The Trademark Clearinghouse (TMCH) authenticates trademarks and allows rights holders to centrally register their IP in a single system for use in either defensive registration or in mark restriction in multiple top-level domains. IP rights holders also have the option to utilize their registration in the TMCH to begin later arbitration or dispute processes (Internet Corporation for Assigned Names and Numbers, 2015).

New gTLDs are opened in phases. The first phase is called Sunrise. During Sunrise registrations are limited to entities that have successfully registered their trademarks with TMCH. Registrations placed during this time are ‘defensive registrations’, as their purpose is to allow trademark holders to simultaneously protect their trademark and establish their identity in the new TLD (Internet Corporation for Assigned Names and Numbers, 2015).

Trademark Claims Service allows for various types of trademark protection. Rights holders can file restrictions for the use of their marks in specific top-level domains or across multiple top-level domains at once. Some options produce a notification to would-be domain registrants that warns of their potential infringement, whereas other options block specific strings from being registerable in the domain at all.

Uniform Rapid Suspension (URS) supplements the existing UDRP IP dispute protections to allow IP rights holders to quickly initiate a process to suspend domain names that use names that are similar to registered trademarks (Internet Corporation for Assigned Names and Numbers, 2015).

Some registry operators¹ that manage large numbers of top-level domains, such as Donuts Inc., have taken further actions to protect mark holders in the TLDs they operate. Whereas the Trademarks Claims service and Sunrise process require the trademark holder to specify each TLD individually and pay the cost for each TLD separately, the registries collect an annual fee to protect the mark in the TLDs they manage. Donuts calls this a “Domains Protected Marks List”. Any mark on the list is prohibited from registration for as long as the protection is renewed.

¹ A registry operator is the entity to which a top-level domain has been delegated. A registry operator is responsible for the technical operation of the domain and is under contract with ICANN for the execution of that role.

Harm to Non-Rights Holders and the Internet Community

New Intellectual Property protections created for the new gTLDs can prohibit the general availability of domains matching a mark registered with the Trademark Clearinghouse before the top-level domain opens for general registration. Prohibiting the availability of certain strings reduces the number of viable domains for registration under the top-level domain, which is contrary to the public good of the Internet and is contrary to the mission of ICANN when they began the new gTLD program.

The Internet is a public resource. There are various facets of the Internet controlled by private companies, including methods of access, but in general, the Internet is not controlled or owned by a specific entity and exists for the general good. The Internet is also an international, cross-cultural phenomenon and is therefore not restricted to the social confines of a specific legal tradition or cultural history.

Interactions between the Internet and the concept of Intellectual Property have been difficult for quite some time as the Internet tends to be an arena of open exchange of information and IP concepts favor the restriction of information exchange due to its impact on the market value of information, or products derived from the information. The domain naming system is no exception to this difficult interaction. It is a simple and inexpensive process for anyone to register a domain name in DNS, but on the side of IP there are concerns of trademark infringement and brand dilution. In the early days of DNS those concerns were not present and cybersquatting did not occur. It was not until the Internet became a capitalist tool that domain names began to have economic value, and as such became useful in exploitive practices such as cybersquatting.

Due to the problem of cybersquatting IP advocates have been engaged in the Internet policy-making process in an attempt to eliminate the concern. The new gTLDs represent a threat to the cause of the IP advocates because additional gTLDs broaden the perceived attack surface for cybersquatting. The more generic top-level domains that exist, the more easily cybersquatters

can register infringing domains and the more difficult it is for rights holders to protect their intellectual property. This concept is one of the key arguments IP advocates used when petitioning ICANN to make changes to the IP policies in effect for newly created top-level domains.

The difficulty with the new policies that allow trademark holders to block registrations in any (or all) new gTLDs and have priority registration access across all new gTLDs is that it grants trademark holders universal rights based on an intellectual property construction that was designed to be restricted to a specific category of goods or services. Applying trademark rights to the COM TLD was somewhat less complicated because it was defined to encompass any type of commercial entity and as such, there was more risk in losing a de-facto equivalent to the mark online. Culturally, the COM portion of the name became an invisible technical inconvenience rather than a bearer of meaning. In the new gTLDs the top-level string is included in the overall meaning of the full domain name, which for many trademark and TLD combinations makes little semantic sense. As an example, Apple Inc. produces various electronic devices and computers and holds trademarks for the wordmark 'Apple' in the relevant good and service categories. This would enable Apple to defensively register or block registration of 'apple' in any top-level domain. Apple Inc. would have rights to block a registration for APPLE.PUB, which does not represent a class of product for which Apple Inc. holds trademark. Apple's block could prevent other parties with a bona-fide purpose for the domain from being able to register it. Any challenge to Apple Inc.'s block would also require registration with the TMCH to be recognized as an entity with a valid legal interest in the domain.

The requirement to register with the TMCH is not in the best interest of the Internet community as it legitimizes a specific type of intellectual property structure and disregards less formal uses of marks. Uses of marks or identifiers that are not registered are not protected and cannot be defended. If Justin Bieber's fans wished to register BELIEBERS.CLUB (in reference to their self-ascribed collective name) they would only be able to do so during the general

registration window (after the Sunrise defensive period) and only then if Bieber's record label had not filed a trademark block or performed a defensive registration prior to that point. By recognizing only specific types of identifiers as having legitimacy the scope of protection is very narrow. Commercial activities are privileged above other types of use of domain names, essentially reducing the Internet to an international marketplace of competing brand identities. This is particularly problematic when culturally the Internet is redefined to a marketing system and not an informational system. While capitalist economies are doing this without the influence of ICANN policy, the codification of that shift limits future possibilities for the use of the new namespaces.

If the new policies were to be examined through a lens of being implemented to their most extreme, in which all trademark holders were to have their mark registered or restricted in every top-level domain the expansion of the top-level domain system would be pointless. First, because multiple entities can register the same wordmark in different good/service categories this scenario is not possible. Second, language and linguistic identifiers are finite so there would be very few, if any, meaningful strings remaining. Finally, the utility of restoring meaning to the top-level string would be lost. The functionality of every TLD would be the same. This is further problematized by considering that in this scenario the named Internet would be effectively limited to trademark holders. Rather than trademark holders being a subset of the Internet population that could register domain names, they would become the majority. For the open Internet to flourish there must be room for new ideas. The implementation of wordmark protection system in which an already finite set of strings is narrowed further hinders growth and innovation.

The addition of a large number of top-level domains (relative to previous batches) disrupts the historical COM-centric concept of the named Internet. It is rational for trademark holders to be able to defend their mark in industries in which they have an interest and have the incentive of first-priority registration for a domain name in those relevant top-level domains.

Most of the top-level domains are not of any practical use or a brand threat to each trademark holder.

The new policies are a reaction to a culture of online trademark protection, which arose from the threat of cybersquatting. The new policies harm an open Internet as described previously, but can also be harmful to trademark holders. Trademark holders have priority access to register or block domain registrations, but it requires an active involvement in the process. While the UDRP is still in effect for new gTLDs, the presence of the new policies may restrict its effectiveness as an arbitration panel could use a lack of active mark defense as evidence of abandoning interest in the mark. Further, trademark holders engaging in the defensive behavior reinforces the value of domain names to the trademark holders. As long as there is value in trademarked strings then there will be value in cybersquatting behavior. In an extreme interpretation, IP protections designed to protect against cybersquatting encourage cybersquatting through a cycle of cultural amplification.

Privileging of Large Organizations

ICANN's new policies favor organizations with expansive resources, as there are many costs and time-consuming processes involved in defending a mark in the new policies. The policies encourage a defensive approach to protecting IP rights. IP rights holders must register their marks with the TMCH for an initial cost of \$200 USD per mark. Defensive registration costs vary per TLD but range from \$5 to \$3000 per year. The Uniform Rapid Suspension System requires a fee of \$300 to \$500 per disputed domain. Defensive registrations must be performed against each TLD individually and must be performed once the TLD enters Sunrise.

Defending IP rights is very costly and the new policies favor organizations with the resources to actively defend their trademarks. It is possible for large corporations to protect their marks in every TLD created, but smaller organizations or individuals who have trademark

holdings but without as many resources would be unable to defend their mark. This becomes particularly problematic when there is overlap between the marks of large organizations and small organizations. If Apple Inc. protects their mark in every TLD created, then any other mark holder for 'apple' would be required to register with the TMCH and file a challenge dispute against Apple Inc.'s claim on the domain. Even then, such a challenge would be unlikely to succeed because in general the first-registered priority takes precedence rule is still respected when there is no clear infringement. The problem is even more difficult if no pre-existing trademark exists and the entity is wishing to establish a new identity online.

In the UDRP structure, all entities with trademark rights have the right to defend their mark from bad faith uses. The new policies, specifically Trademark Claims, give trademark holders excessive capability to defend their mark, to the detriment of the spirit of the new gTLD program.

The Not-So-Special Case of Dot Sucks

One top-level domain that has received a lot of criticism is SUCKS. This domain presents an interesting case to analyze because it is not of specific interest to any specific community. Jay Rockefeller, a United States Senator, stated the SUCKS TLD has "little or no public interest value" (Nichols, 2015). Describing SUCKS as having low utility illustrates the conceptual difficulty with analyzing every TLD with the same standards as is applied to COM. SUCKS, while having a vulgar connotation, evokes its own sense of critique. It is unlikely that anyone would visit a brand name or known popular trademark under the SUCKS TLD with the anticipation of finding the right-holder's legitimate website. Some form of critique or parody would be a more logical finding under that extension.

One particular critique that was made of SUCKS before it launched was that its fee structure was exploitive. The cost to participate in the Sunrise registration period (for defensive

registration) was set at \$2,500 USD, whereas the general availability pricing is \$250 USD, with a “consumer advocacy” pricing available at \$10 USD. This fee structure does disadvantage IP rights holders. The mission of the TLD, which is described succinctly in the tag line of their registry website “tell us how you really feel”, encourages consumers to voice their opinions and complaints in a public forum (Vox Populi Registry Ltd., 2016). Corporations are afforded the ability to provide their perspective of their activities on their websites on their website in the COM TLD or in almost any other TLD, whereas this mission of this TLD is written to be an opportunity for an additional perspective to be presented.

For the SUCKS case the new IP protection policies diminish the value of the new gTLD to the Internet by limiting the valid strings through which to exercise a critique. While an exception to those policies would have been beneficial for this specific case, the need for an exception in itself points to a need to evaluate the purpose of the new policies. When examining the proposed use of SUCKS, which is clearly not for the benefit of the rights holders, a potential starting point to determine if there is likely harm to IP concerns is the Uniform Domain-Name Dispute Policy. The first condition, similarity to a legally registered mark, is easily met. The second condition, requiring no legitimate interest, is more difficult to prove if the domain is being used as critique. The third condition requires the demonstration of a bad faith registration. Under UDRP the only use of SUCKS that would qualify as “bad faith” is if the domain were registered by a direct competitor. If Google were to register APPLE.SUCKS or IPHONE.SUCKS² (perhaps to redirect traffic to a pro-Android website), then they would be in violation of the bad faith provision, as well as the spirit of the mission of the SUCKS TLD. The UDRP does not discourage registrations for purposes of critique or parody and therefore most uses of SUCKS would be protected, at least per the written criteria.

The important point to gather from the SUCKS case is not that the Internet should be an open forum for critique, but that the opening of the new gTLD process has created new

² Apple Inc. registered both APPLE.SUCKS and IPHONE.SUCKS during Sunrise

possibilities. This historic COM-centric concept of the named Internet is out of date and is perhaps damaging to some avenues of the Internet's evolution.

The Dilution Argument

A key problem presented in opposition to the expansion of the new gTLD process and in favor of the new policies (or a stricter form of new policy) is that of trademark dilution. Dilution is a use of an identifiable mark that is well known in such a way that diminishes its uniqueness. In the United States this concept is protected under the Trademark Dilution Act of 2006. This concept is only applicable to trademarks recognized by members of the general public and not to the majority of registered trademarks, which is the opposite of the trademark protections applied to the new gTLDs. It should also be noted that many of the registered trademarks that could be subject to a dilution argument have registered their own top-level domains in the root zone as part of ICANN's 'dot-Brand' program, giving them a larger scope of protection for their trademark.

Conclusion

The new gTLDs greatly expand the number of domain names that are available for registration, but the additional IP protections are excessively hindering to the public. Existing policies are inadequate to protect rights holders, but the new policies do not correct those problems in a useful way. The new policies allow organizations with ample resources and armed with a registered trademark to block registration of their string and related strings across all new gTLDs. The new policies are not favorable to individuals or to small groups that do not own trademarks, but are simply seeking a distinct online identity. The trademark protections only examine the left side of the dot in a domain and do not treat the domain name as a whole. Better

policies are needed to ensure equitable access to available domain strings, but also to provide reasonable protections for intellectual property holders.

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