February 12, 2012

ICANN DOT-ANYTHING: RETHINKING THE SCOPE OF THE NEW GTLD EXPANSION, ITS EFFECT ON GOVERNMENT REGULATION, AND ITS IMPACT ON TRADEMARK OWNERS

Ukeme Awakessien

Available at: https://works.bepress.com/ukeme_awakessien/1/
ICANN DOT-ANYTHING: RETHINKING THE SCOPE OF THE NEW gTLD EXPANSION, ITS EFFECT ON GOVERNMENT REGULATION, AND ITS IMPACT ON TRADEMARK OWNERS

By Ukeme Awakessien†

TABLE OF CONTENTS

ABSTRACT .................................................................................................................................................... 2
I. INTRODUCTION ........................................................................................................................................... 2
II. ICANN AND INTERNET GOVERNANCE ...................................................................................................... 5
   A. The Evolution of Internet Governance .................................................................................................. 5
   B. The Legal Framework for the Creation of ICANN .............................................................................. 7
III. EXPANDING THE ROOT ......................................................................................................................... 9
   A. Nomenclature of the DNS .................................................................................................................. 12
   B. Voices for the Expansion .................................................................................................................. 13
   C. Voices Against the Expansion ........................................................................................................ 15
IV. PROTECTION MECHANISM WITH THE NEW gTLDs .............................................................................. 17
   A. Overview ............................................................................................................................................. 17
   B. Pre-Delegation Protection Mechanism ............................................................................................. 18
   C. Post-Delegation Protection Mechanism ........................................................................................... 19
V. REIGNING IN THE NEW gTLDs .................................................................................................................. 23
   A. The Economic Rationale of Expanding the DNS ............................................................................... 24
   B. The Obligation to Lessen Government Burden ............................................................................... 25
   C. Weighing the Costs Against the Benefits ......................................................................................... 27
   D. Redefining the scope of expansion ................................................................................................. 29
CONCLUSION .............................................................................................................................................. 31

† Ukeme Awakessien, JD, Case Western Reserve University School of Law, 2013. Professor Jacqueline Lipton provided helpful comments.
ICANN rationalizes that the expansion of gTLD increases consumer choice across the Internet. This notion of “consumer choice” as the reason for expansion of gTLDs fails to fully regard the future of domain names and its intersection with trademark law. This reasoning also conflicts with ICANN’s charter to lessen the burdens of government in regulating the Internet. Striking an adequate balance between increasing consumer choice and Internet regulation requires additional policy considerations and robust regulation.

After examining the legal framework under which ICANN was chartered and comparing the charter with how ICANN currently operates and governs the Internet, this Article finds that the expansion is overstepping ICANN’s charter. The Internet's ability to promote economic opportunity and the flow of information, relies largely on its open, non-government regulated and decentralized nature. Yet, the success of the Internet relies heavily on the benefits of adequate protection mechanisms and effective dispute resolution. An extensive look at the proposed protection mechanisms shows that it lacks appeal and adequacy. In determining what and where the adequate balance of increasing “consumer choice” and “lessening the burden of government” should be, this article suggests that ICANN’s best ally, is the government.

I. INTRODUCTION

Just like the technology world prepared for Y2K, the dot-com centric way of Internet addressing is preparing to change. Instead of typing www.dot.com into your web browser, you will be able to enter www.dot.anything. This is because the organization in charge of domain names, the Internet Corporation for Assigned Names and Numbers (ICANN), has approved plans
for the introduction of new generic Top Level Domain (gTLD) extensions.\(^1\) This dramatically increases the number of TLDs, with familiar domain extensions like .com, .org, and .net, from the current 22 to an unlimited number of TLDs.\(^2\) ICANN is rewriting the nomenclature for web addressing. More importantly, the expansion is likely to place an undue burden on government regulation and negatively impact trademark owners.

Domain names are often seen in analogy to real estate.\(^3\) During its infancy, the Internet was simply a medium that facilitated communication with greater reach and better efficiency than more traditional means like facsimile.\(^4\) Today, the Internet facilitates commercial transactions, and domain names often serve as an extension of businesses brands.\(^5\) Proponents of the gTLD expansion argue that the expansion will increase “consumer choice” and promote greater innovation among businesses and Internet users.\(^6\) Opponents contend that the expansion is opening a can of worms for those with significant intellectual property presence on the Internet.\(^7\) Whether for or against the expansion, the limitless nature of it seems to focus too heavily on the economic benefits rather than the cost and burdens that could result. The problem is that expanding the domain name space – allowing anyone to register a new .brand TLD – does not resolve many extensively documented issues with the Domain Name System (DNS) like;

\(^2\) New Generic Top Level Domains, Frequently Asked Questions, INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (Oct. 21, 2011), http://www.icann.org/en/topics/new-gtlds/faqs-21oct11-en.pdf (there is “no way of knowing the exact number of applications ICANN will receive nor how many of these applications will qualify and become gTLD registries”)
\(^3\) JACQUELINE D. LIPTON, INTERNET DOMAIN NAMES, TRADEMARKS AND FREE SPEECH, 4 (2010) (describing the Internet as a form of digital property)
\(^4\) ROB FRIEDEN, MANAGING INTERNET-DRIVEN CHANGE IN INTERNATIONAL TELECOMMUNICATIONS, 386 (2001)
\(^5\) Id. at 387
\(^6\) See, infra Part II.B (discussing reasons that supporters are for the new gTLDs)
\(^7\) See, infra Part II.C (discussing reasons that opponents are against the gTLDs)
cyber security, trademark protection or rightful ownership to a domain name.\textsuperscript{8} Instead, it exacerbates these problems.

During ICANN’s incorporation in 1999, careful consideration was given to its technical functions, its obligation to the global public interest and its governance over the Internet.\textsuperscript{9} These considerations are captured in Article IV of ICANN’s Articles of Incorporation and its Bylaws. Originally, the primary role of ICANN, which was incorporated as a “nonprofit public benefit corporation,” was to assume technical responsibility for the operational stability of the Internet.\textsuperscript{10} However, ICANN quickly realized, and subsequently announced that it was necessary to begin making policy decisions related to its technical function. In 2002, ICANN amended its Bylaws, a decision that was approved by the Board, and ICANN was allowed to start creating domain name policies by a vote of the Board, irrespective of consensus among the various stakeholders.\textsuperscript{11} The extent to which the ICANN board should be able to independently create these “technically related” policies has been a source of much controversy, intensified by debates surrounding the recent expansion of gTLDs.\textsuperscript{12}

This Article examines whether ICANN’s rationale for expanding gTLDs to increase “consumer choice,” contradicts its charter to “lessen the burden of government” in regulating the Internet. Part I outlines the scope and legal framework under which ICANN was chartered. Part II explores the structure of the Domain Name System and discusses the justifications for and against gTLD expansion. Part III reviews ICANN’s planned gTLD application process and the

\textsuperscript{8} See, infra Part
\textsuperscript{9} See, infra Part I.B (reviewing the formation of ICANN)
\textsuperscript{10} Id.
\textsuperscript{12} See, Michael Froomkin, \textit{Wrong Turn In Cyberspace: Using ICANN to route around the APA and the Constitution}, 50 Duke LJ 17, 103 (2001). (noting that “the line between what is sufficiently a question of expertise to be a matter of implementation of a more general policy and what constitutes making the policy is not always easy to draw”)

4
proposed trademark protection mechanisms. Part IV determines the challenges the gTLD expansion may face and highlights the new burdens it will place on regulation and the impacts it will have on trademark owners. This Article concludes with proposals on how ICANN can comply with its charter.

II. ICANN AND INTERNET GOVERNANCE

The events that led to the formation of the Internet and ICANN have been well documented by legal scholars.13 The degree to which this Article reviews the events is to provide a general understanding of how the Internet is governed and the structure of ICANN.

A. The Evolution of Internet Governance

The Internet began as a military research project in the midst of the Cold War.14 Computer engineers invented the Internet technology enabled by funding from the US Defense Department.15 As the Internet evolved into a global infrastructure for communication and

---


14 JOHN CHAMBERS, THE OXFORD COMPANION TO AMERICAN MILITARY HISTORY, 791 (New York: Oxford University Press, 1999) (The Advanced Research Projects Agency (ARPA) was formed in 1958 by the Defense Department of the United States in order to start the gathering of resources for research, which would make the US superior in military terms. Accordingly, the computer network ARPANET was set up in 1969 as a small program by one of ARPA’s departments); See Peter T. Holsen, ICANN’T Do It Alone: The Internet Corporation for Assigned Names and Numbers and Content-Based Problems on the Internet, 6 MARQ. INTELL. PROP. L. REV. 147, 149 (2002) ("In 1965, scientists developed a way for a computer in Massachusetts to communicate with a second computer in California.")

15 See Holsen, at 149 (The U.S. Department of Defense deemed [the internet] to have great potential and funded research projects to further its development.").
commercial transactions, new issues with regard to public policy and global governance emerged.\textsuperscript{16}

The economic potential of the internet brought about the formation of an ad hoc political alliance between international intergovernmental agencies, including the World Intellectual Property Organization (WIPO), the International Telecommunication Union (ITU), and the International Trademark Association. This alliance prepared a document called the “generic top-level domain memorandum of understanding” (gTLD-MoU), in which they advocated for “competition”, “privatization” and “self-governance” of the internet on behalf of the Internet community.\textsuperscript{17} With the support of a similar agenda by one of the founding technical leaders of the Internet, Dr. Jon Postel,\textsuperscript{18} the gTLD-MoU proposed the transfer of the management of the DNS from the U.S. government to a self-regulatory organization composed of members of both the public and private sectors. Given this pressure, the US government agreed to play a role in privatizing the Internet and making it competitive.\textsuperscript{19} In doing so, the US government agreed to surrender its authority in exchange for a forum that facilitated direct public participation.\textsuperscript{20}

\begin{itemize}
\item \textsuperscript{16} See \textit{Sallen v. Corinthians Licenciamentos LTDA}, 273 F.3d 14, 19 (1st Cir. 2001) (relating that the number of disputes over domain names have increased with the growing commercialization of the Internet); Kenneth S. Dueker, \textit{Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses}, 9 HARV. J.L. & TECH. 483, 483 (1996) (“The phenomenal growth of the Internet as a commercial medium has brought about a new set of concerns in the realm of intellectual property.”);

\item David S. Magier, \textit{Tick, Tock, Time is Running Out to Nab Cybersquatters: The Dwindling Utility of the Anticybersquatting Consumer Protection Act}, 46 IDEA 415, 417 (2006) (“\because the borderless, ubiquitous, and often anonymous nature of cyberspace, the increase in e-commerce brings to the fore significant jurisdictional challenges for those seeking to protect their intellectual property.”)

\item \textsuperscript{17} See, Mueller, \textit{ supra} 14, at 142-151 (explaining the creation and circulation of the gTLD-MoU which invited public and private Internet stakeholders to voluntarily support and actively participate in the implementation process)

\item \textsuperscript{18} Id. at 161 (explaining Postel’s challenge to the U.S rivaled the gTLD-MoU in boldness)

\item Donna L. Howard, Note, \textit{Trademarks and Service Marks and Internet Domain Names: Giving ICANN Deference}, 33 ARIZ. ST. L.J. 637, 655 (2001) (“\text{The Clinton administration} issued two plans, the 'White Paper' and 'Green Paper,' that 'would confer upon this non-profit corporation much responsibility in the domain naming system,' granting ICANN 'leeway in how it carried out its functions' and allowing ICANN 'to set forth certain standards.'”).

\item \textsuperscript{20} \textit{Infra}, n.21
\end{itemize}
addition, policies were to be anchored directly in the consent of the governed. Based on these principles, ICANN was born.

B. The Legal Framework for the Creation of ICANN

ICANN was incorporated under a specific legal framework – California’s Nonprofit Public Benefit Corporation Law. As ICANN was being created, negotiators sought a membership-based organization in which its members directly elect the Board. But, as a private 501(c)(3) non-profit entity under California law ICANN has no shareholders or other external structural oversight mechanism. Hence, the Articles of incorporation, which typically set up the basic structure of an organization was carefully constructed. ICANN’s Articles of Incorporation state the following:

ICANN shall "pursue the charitable and public purposes of lessening the burdens of government and promoting the global public interest" and "operate for the benefit of the Internet community as a whole, carrying out its activities in conformity with relevant principles of international law and applicable international conventions and local law and, to the extent appropriate and consistent with these Articles and its Bylaws, through open and transparent processes that enable competition and open entry in Internet related

21 Solid Host, N.L. v. Namecheap, Inc., 652 F. Supp. 2d 1092, 1102 (C.D. Cal. 2009) (The Clinton administration addressed these concerns by “issuing a White Paper titled Management of Internet Names and Addresses. The White Paper recognized a 'need for change' regarding the Internet's administration. . . . [and] called on the Internet community to create an administrative body 'based on a broad consensus among industry stakeholders,' that would be free from government control.”) (citing and quoting, Brian W. Borchert, Imminent Domain Name: The Technological Land-Grab and ICANN’s Lifting of Domain Name Restrictions, 45 Val. U.L. Rev. 505, 511); See, also, ICANN Background Points, INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS, http://www.icann.org/general/background.htm#7 (last visited Dec 15., 2011)

22 http://www.icann.org/en/general/articles.htm (noting that ICANN is a nonprofit public benefit corporation and is not organized for the private gain of any person)

23 Mueller, 2002 p. 183-4

24 But, See http://cyber.law.harvard.edu/icann/pressingissues2000/briefingbook/executive-summaries.html (explaining that the Attorney General of California may intervene to keep the Corporation's activities within the bounds of California law)

25 Supra, n.23

26 ICANN Articles of Incorporation (November 1998) http://www.icann.org/articles-pr23nov98.html; (Articles of incorporation is a legal document that is filed with the state to create a corporation. The Articles function like a constitution for the nonprofit corporation)
markets. To this effect, the Corporation shall cooperate as appropriate with relevant international organizations." (Emphasis added)

In this way, ICANN governs by means of a private, yet globally applicable contract; and its decision-making strive to represent the global public interests of the civil society, as well as business and technical communities.

Guided by a mission statement, ICANN’s mission statement, states in pertinent part that\textsuperscript{27}:

IRANN ensure the \textit{stable and secure operation} of the Internet…coordinates the allocation and assignment of Domain Names…and coordinates policy development \textit{reasonably and appropriately related} to [the Internet’s] technical functions (Emphasis added)

Read in combination with the Articles of Incorporation, essentially, the ICANN Board in all deliberations, must maintain a balance in its obligation to lessen the burdens of government as it promotes the global public interest, while maintaining operational stability of the Internet. On one hand, it seems like ICANN cannot become involved in policy and rule making that is unrelated to the technology or operational stability of the Internet. On the other hand, as a “technical coordinator”, they are restricted from taking actions outside of technical policy that may be necessary to meet its public interest obligations.

Bylaws, which are often easier to modify, typically contain detailed implementations of an organization’s policies.\textsuperscript{28} ICANN’s Bylaws, which have been amended a few times, define the balance between technical coordination and policymaking.\textsuperscript{29} One of the major debates over ICANN's structure concerned the relative power of the existing Internet technical community as

\textsuperscript{27} ICANN Webpage: http://www.icann.org/en/general/bylaws.htm#I
\textsuperscript{28} Bylaws are the \textit{rules and procedures} for how a nonprofit corporation will operate and be governed. Although there are no set criteria for bylaw content, they typically set forth internal rules and procedures for the nonprofit corporation;
\textsuperscript{29} ICANN By-laws (November, 1998 and subsequently revised) http://www.icann.org/bylaws-09apr99.html; Amended in 2000, 2005 and 2005
compared to that of commercial users, trademark owners, consumers and national laws.\textsuperscript{30} To resolve this contention, the Bylaws set up a structure where half of the ICANN Board is elected by the technical community (the Supporting Organizations or SOs), and the other half is elected by the general population at large (the At-large Membership).\textsuperscript{31} ICANN also has Advisory Committees, on which it relies to some extent, on the advice of interests and needs of stakeholders that do not directly participate in the SO. One of such Advisory Committees is the Governmental Advisory Committee (GAC), which is composed of representatives of a large number of national governments from all over the world. The GAC, in its non-voting advisory capacity, serves as a point of communication between national governments and ICANN. Neither the Supporting Organizations, nor the At-large Membership, nor the GAC have rights to implement any policies. They ICANN Board has sole authority in decision making.\textsuperscript{32} This is particularly disturbing in cases where, like the expansion of gTLDs, ICANN is faced with a decision that affects the global public interest. ICANN’s President has expressly stated that when faced with a decision “ICANN’s default position should be to foster competition as opposed to having rules that restrict.”\textsuperscript{33} But, under what authority and to what extent should ICANN independently make decision about the Internet?

### III. Expanding the Root

The Internet, very much like the telephone numbering system, or the International Standard Book Numbering (ISBN) system, requires unique numerical identities known as the IP

\begin{itemize}
  \item[31] Id.
  \item[32] Id.
\end{itemize}
The Domain Name System (DNS) was developed to make the Internet more user friendly by using verbal identities, which are easier to remember, in place of numbers. However, this poses a challenge – if two businesses in different states operate using the same business name, who has the choice of thatbusinessname.com? Right now, the choice is made on a “first come, first serve” basis. Expanding the DNS by adding new gTLDs does not change how that choice is made. Instead, it raises the following questions: should ICANN’s purpose be creating more domain name choices? Or should it really be creating options for co-existing domain name choices? Perhaps the answer is both. Since two companies can exist in the real world using the same name, and both can enjoy using the same trademark in their respective territories or classes of goods and services, why should we accept ICANN’s inability to do the same with the DNS? Granted, as many recognize, it is technically easier for more than one business to share the same trademark in physical space, than it is virtual space. But, this is a challenge that ICANN should be striving to meet. This is the pressing global public interest to be served.

After domain names emerged as a business-branding tool, a frenzied grab ensued, resulting in a scarcity of premium addresses. The .com domain name gained the most popularity; other did not have the same appeal. Some were out of reach because they were either ccTLDs associated with particular countries (such as .uk, .fr) or sponsored gTLDs (such as .gov, .mil, .edu).
Hence, there has been a longstanding pressure to increase the number of gTLD domain names to resolve the problem that some see as scarcity, and others see as improving the competition for “good” names. The first 4 generic extensions, .com, .net, .org, and .edu were introduced in 1985. In 2000, ICANN approved 7 more extensions, followed by another 10 after 2004, then one more was added in 2011. Contrary to the last rounds of expansion, the coming rounds will not be restricted. In 2005, ICANN began economic studies to determine how many new gTLDs they could create, what those new gTLDs would be, who would be responsible for running the registration process, and what rules would apply. The reports recommended that ICANN could create unlimited gTLDs and still maintain operational stability while improving competition.

---

39 See, Reece Roman, What if ICANN Can't?: Can the United Nations Really Save the Internet?, 15 SYRACUSE SCI. & TECH. L. REP. 27, 7-8. (explaining the other two types of TLDs include the country specific (known as ccTLD), for example, .uk (United Kingdom), the third type, known as sponsored is used solely for infrastructure purposes and is not important to the average Internet user); Milton Mueller, Land Grab? ccTLDs and multilingual names (2007) http://blog.internetgovernance.org/blog/_archives/2007/12/5/3392238.html (asserting that there is only one DNS name space, hence “The distinction between ccTLDs and gTLDs is entirely political and arbitrary, not technical or economic”)

40 See, Donna L. Howard, Trademarks and Service Marks and Internet Domain Names: Giving ICANN Deference, 33 ARIZ. ST. L.J. 637, 639-40 (2001) (stating that the .com top-level domain name is the most commonly used by commercial entities and generally seen as a catchall top-level domain); C. Kim Le, Genericness Need Not Apply: Employing Generic Domain Names in Cyberspace, 14 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1093, 1095 (2004) (noting that approximately ninety-eight percent of all words found in Webster's English Dictionary are currently registered as domain names).

41 See Top-Level Domains (gTLDs), ICANN, http://www.icann.org/en/tlds (noting that the following top-level domains were created in the 1980s; .com,.edu,.gov,.int,.mil,.net, and .org).

42 Supra n.2

43 See, Infra III.B (Discussing the details of the reports)

44 Id.
A. Nomenclature of the DNS

The Domain Name System ("DNS") is a complex, layered technical system.\textsuperscript{45} Take, for example, the website address www.brand.com - brand is known as the second-level domain name, while .com is known as the top-level domain name. The actual combination of the second-level and top-level domains is what is commonly referred to as the domain name. The DNS is a combination of servers, structured like a pyramid; at the apex of the DNS pyramid is the root.\textsuperscript{46} The root zone consists of top-level domains ("TLDs").\textsuperscript{47} The proposed expansion adds domain names to the category of generic top-level domain names ("gTLD"), which includes the .com, .org, and .net extensions. Collectively, the three types of TLDs – country, sponsored and generic - contain 22 TLDs.\textsuperscript{48} The largest and most popular of those TLDs is by far the .com gTLD.\textsuperscript{49}

The overall system managed by ICANN is maintained by two groups: the registry and the registrar.\textsuperscript{50} There are currently 943 domain name registrars and 20 registries.\textsuperscript{51} Registrars deal...
directly with individual domain name registrants in a retail domain name selling capacity. Registries, in turn, operates in a more limited capacity, they maintain and organize the TLD. The gTLD expansion essentially opens up the registry level to any company who meets technical, financial and operational specification criteria established by ICANN. This means an entity that owns brand.com will now be able to own and manage their .brand as a gTLD. A company or group seeking a gTLD needs to demonstrate that it can operate the gTLD in a stable and secure manner, operate a domain name registry for those applying for domain names within the gTLD, and provide a means for dispute resolution. Ownership of a gTLD is limited to public or private entities and organizations worldwide; individuals or sole proprietors will not be accepted due to the level of complexity and resources required.

B. Voices for the expansion

ICANN, Internet Service Providers (ISP), and business economists have been some of the strongest supporters for opening the market to a greater number of new gTLDs. They believe

---

54 See, ISPCP Position on New gTLD Expansion (Feb. 1, 2006), gnso.icann.org/issues/new-gtlds/ispcp-01feb06.txt (“Fundamentally, the ISPCP believes that the mechanism for recognizing and implementing new, generic Top Level Domains is adequate”); Juliana Gruenwald, ICANN Defends Domain Name Process, NATIONAL JOURNAL (Aug. 10, 2011, 3:59 PM) http://www.nationaljournal.com/tech/icann-defends-domain-name-process-proposal-20110810 (ICANN President and CEO Rod Beckstrom wrote that the “decision to proceed with the [new gTLD] program followed six years of inclusive policy development and implementation planning. Significant actions have been taken to balance the concerns of all interested parties, provide protections for rights holders, registrants, and users, and to ensure that the security, stability, and resiliency of the Internet are not compromised”).
that the expansion will provides a market-driven mechanism for competition in the public’s interest. Some of the advantages have been identified as increasing competition among registries and registrars, based on price differences, services provided and other differentiators. The new gTLDs also create the ability to commercially market TLDs as intellectual property with a global reach, since the desirability of a particular prefix choice could foster the selling of second-level domain names and licensing of registrars.

From a public interest perspective, supporters of the expansion predict that ownership of a gTLD could create better protection against cybersquatting. They envision that cyber security will improve globally, as brand owners will become the police and enforcers of their own gTLD. After all, they will make the decisions on how to issue second level domain names and who to issue them to, which gives them the ability to control and prevent cybersquatting. Furthermore, supporters contend that the existence of more registries leads to the creation and adoption of varying levels of pre-registration procedures, which will discourage cybersquatters, since it will be difficult for them to circumvent so many registration procedures.

One more reason supporters back the expansion is that industry and trade associations will most likely seek to secure gTLD names associated with the goods and/or services of their members; examples include .bank or .hotel or .auto, and .nba. Supporters believe that this will serve as an efficient source identifier for consumers. They predict it will also gives consumers a greater sense of security when using the internet, because a consumer who visits

---

55 See, Infra III.B (Discussing the economic advantages of the expansion)
56 Id.
57 See Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 680 (9th Cir. 2005). The court explained that:
   [C]ybersquatting occurs when a person other than the trademark holder registers the domain name of a well known trademark and then attempts to profit from this by either ransomining the domain name back to the trade-mark holder or by using the domain name to divert business from the trademark holder to the domain name holder.
www.brand.hotel knows they are visiting a certified hotel site. Of course, this follows the assumption that like sponsored TLDs, the trade group sets up a pre-registration process that ensures only “hotels” can buy a sub level domain name.

C. Voices Against the Expansion

Prominent global brand owners and Intellectual Property interest groups have significant public policy concerns against the expansion of gTLDs. They believe that the expansion will:

1) increase the likelihood of cybersquatting and other malicious conduct, and
2) diminish the power of trademarks to serve as strong, accurate and reliable source identifiers.

One of their major concerns is that the new gTLDs will increase the level of fraud and abuse on the Internet, which will harm consumers, businesses, and other users of the Internet. They predict that the unlimited expansion of gTLDs will exponentially increases defensive registrations. While most businesses already register multiple domain names defensively, the fear is that new gTLD could increase costs associated with defensive registration in an

---

58 See, Juliana Gruenwald, Advertisers Pushing for ICANN to Drop New Domain Proposal, NATIONAL JOURNAL (Aug 4, 2011, 5:22 PM), http://www.nationaljournal.com/tech/advertisers-pushing-for-icann-to-drop-new-domain-proposal-20110804 (“The program violates simple common sense. There are no material or obvious benefits from the program that provide true, measurable advantage to major parts of the constituency ICANN is charged to protect”); Monika Ermert, EU’s Kroes Not Amused By ICANN Decision On New TLD, INTELLECTUAL PROPERTY WATCH (Aug 4, 2011, 5:22 PM), http://www.ip-watch.org/weblog/2011/06/22/eus-kroes-not-amused-by-icann-decision-on-tlds/ (Neelie Kroes, European Commission Vice President and Digital Agenda Commissioner stated he is “disappointed that the ICANN Board has repeatedly overlooked public policy concerns”); US GOVERNMENT SHOUTS STOP! AT ICANN OVER NEW GTLD PROGRAM (Dec.3, 2010), http://gibc.biz/2010/12/us-government-shouts-stop-at-icann-over-new-gtld-program (An aggressive letter sent by the US government to ICANN’s Board has warned the organization not to approve the final rules for new Internet extensions)

59 See, Edmund Lee, ANA's Bob Liodice Says New Web Domain Plan Could Cost Marketers Billion, ANA letter, http://adage.com/article/digital/ana-s-bob-liodice-domain-plan-cost-billions/229203/; See also Carlton, Supra, at 8 (“T]he Association of National Advertisers states that new gTLDs will generate higher 'costs of brand management and create new opportunities for others to infringe, phish, and engage in other deceptive practices. As a result, brand owners and consumers will be net losers.”)

60 http://www.addisonslawyers.com.au/documents/doc-4-intellectual-property---ecommerce.pdf (Defining defensive registration as the protection of the trademark by registering it in a separate gTLD)
unquantifiable manner. To support opponents point, take the example www.brand.com, and lets assume the company brand is a fashion merchandiser with clothing, shoes and bags. If brand chooses to register and operate .brand and decides to have a “closed” gTLD, meaning it does not sell its sub-domain names to third parties, what if other groups are approved for .fashion, .clothing, .shoes, and .bags? Will .brand have to defensively register brand.fashion, brand.clothing, brand.shoes, and brand.bags? This is already a problem with 22 gTLDs, it is hard to imagine what it could be like with the expansion.61

Another concern is the ability businesses have to protect their customers from fraudulent use of names associated with their business. It is now widely accepted that domain names serve as a trademark.62 It is not unusual for courts to consider domain names in trademark disputes if the domain name operates as a trademark.63

---

61 http://www.mindsandmachines.com/2010/02/survey-shows-brands-dont-register-defensively-in-new-gtlds/ (“Defensive registrations are a real phenomenon in .com. 100% of the 1043 brands and brand variations are registered in .com” Studies on UDRP filings suggests that this is where the vast majority of cybersquatting also takes place) (brand owners only claim that the cost of defensive registrations will be “astronomical” and a “major burden on U.S. businesses)

62 But, see Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc., 989 F. Supp. 1276, 1279 (C.D. Cal. 1997) (noting that domain names must be affiliated to some commercialized goods or services of the registrant)

63 Lanham Act ß 43(c)(1), 15 U.S.C. ß 1125(c)(1) (2006). The statute states the following:

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

law, for trademark owners to diligently protect their rights in a mark.\textsuperscript{64} Trademark owners have an \textit{affirmative duty} to monitor unauthorized uses of their mark or third party uses that are “confusingly similar” to their own mark.\textsuperscript{65} With the expansion of gTLDs, there is uncertainty in what constitutes reasonable consequences of not doing this. Many businesses may reach a point where they cannot contest all names containing their trademarks. This raises the question of whether a tipping point may one day be reached, in terms of businesses not engaging in defensive registrations – beyond trademark dilution, would that erode their trademark rights? That being said, if users stop challenging infringement of their trademark, courts might interpret this lack of action as passivity in defending their trademarks. As a consequence, a court may this against a company. On the other hand, courts may start to consider the reasonableness of defending all potential trademark dilution cases, if the number of gTLDs expands, and adjust their rulings.

IV. PROTECTION MECHANISM WITH THE NEW GTLDs

Both proponents and opponents of new gTLDs agree that it is crucial for adequate trademark protection mechanisms to be adopted to ensure that the risk of increased fraud and abuse is mitigated.\textsuperscript{66} To address this concern, ICANN has created mechanisms that trademark owners will be able to use to protect their trademark rights.

A. Overview

The gTLD application process has four parts: Initial Evaluation, String Objections, String Contention, and Delegation. During the Initial Evaluation, ICANN assesses the gTLD name

\textsuperscript{64} \textit{Id.}
\textsuperscript{65} \textit{Id.}
\textsuperscript{66} \textit{Id.}
string, the applicant's qualifications, and its proposed registry services. After the Initial evaluation, ICANN publishes the pre-approved name strings; this triggers the String Objections and String Contention processes, which this Article collectively refers to as the Pre-Delegation Protection Mechanism.\textsuperscript{67} Name strings surviving pre-delegation objections advance to the delegation process. When the new gTLD string is approved, the applicant is expected to enter into a registry agreement with ICANN and accept responsibility for administering his new gTLD in the DNS root. Objection to a gTLD can be made after its issuance; this process is referred to in this Article as the Post-Delegation Protection Mechanism.

\textbf{B. Pre-Delegation Protection Mechanism}

Before a gTLD is approved, an objection to its issuance can be made. Trademark owners, as well as others, will be able to object to new TLD applications after ICANN publishes them for public review.\textsuperscript{68} The grounds upon which an objection may be filed are as follows:\textsuperscript{69}:

(i) \textit{“String Confusion Objection”}: referring to objections that claim the string comprising the potential gTLD is confusingly similar to an existing top-level domain or another string applied for in the same round of applications.

(ii) \textit{“Existing Legal Rights Objection”}: this term refers to objections that the string comprising the potential new gTLD infringes upon the existing legal rights of others that are recognized under generally accepted and internationally recognized principles of law.

\textsuperscript{67} See Draft Applicant Guidebook, supra, at 4-1

“String contention occurs when two or more applicants for identical or similar gTLD strings successfully complete all previous stages of the evaluation and dispute resolution process. String Contention may be resolved by one or more applicants withdrawing their applications, but not by selecting a new string or replacing an applicant”

\textsuperscript{68} See Draft Applicant Guidebook, supra, at 4-1 (happens shortly after initial evaluation is completed and the application period closes)

\textsuperscript{69} Supra. n.69
(iii) “Limited Public Interest Objection”: this term refers to objections that the string comprising the potential new gTLD goes against generally accepted legal norms relating to morality and public order that are recognized under principles of international law.

(iv) “Community Objection”: this term refers to the objection that there is substantial opposition to the application from a significant portion of the community to which the string may be explicitly or implicitly targeted.

ICANN will not be responsible for reviewing the objections. Instead, it has designated the authority to different dispute resolution service providers. Objectors will timely their objections in a timely manner with the appropriate Dispute Resolution Service Provider (DRSP). An applicant's whose gTLDs is the subject of an objection may: (i) try to settle with the objector so the objection or the application is withdrawn; (ii) file a response to the objection; (iii) withdraw their application; or (iv) file no response to the objection such that the objector will prevail by default.

C. Post-Delegation Protection Mechanism

The way in which how objections will be made after a gTLD is approved can subdivide into the following: i) Rights Protection Mechanism and ii) Dispute Resolution Mechanism. Both mechanisms make it mandatory for gTLDs to operate (or sub-contract the

---

70 See Draft Applicant Guidebook, supra, at 4-1:

(i) “String Confusion Objections” shall be administered by the International Centre for Dispute Resolution. (ii)“Existing Legal Rights Objections” shall be administered by the Arbitration and Mediation Center of the World Intellectual Property Organization. (iii) “Limited Public Interest Objections” shall be administered by the International Centre for Expertise of the International Chamber of Commerce. (iv) “Community Objections” shall be administered by the International Centre for Expertise of the International Chamber of Commerce.

71 Id.
operation) their registry, in a manner that monitors and tracks pre-existing trademark owners' rights.

i) Rights Protection Mechanism (RPM)  

To facilitate this mechanism, ICANN has designed a Trademark Clearinghouse. The purpose of the clearinghouse is to serve as a central repository for trademark information, including information on both registered and unregistered trademark rights, which brand owners have submitted. All-new gTLD registries are expected to interact with this central information source in order to obtain and verify information related to domain name registrations. To register a trademark with the Trademark Clearinghouse, a trademark owner will have to submit a copy of his registration certificate for the mark (or other proof of ownership of a mark), a declaration of ownership of rights in the mark (including a statement under oath that the mark currently is in use), a specimen of the use of the mark (e.g., a picture of the product bearing the mark, or a website shot showing the services offered under a mark) and an undetermined annual maintenance fee. Registration with the Clearinghouse will not constitute conclusive evidence of rights in the mark that can be used for purposes of objecting another party’s application to register a domain name. Choosing not to register will also have no impact on a subsequent dispute.

Based on information stored in the Trademark Clearinghouse, each approved gTLD applicant, in order to operate their registry, is required to implement either or both of the following RPMs:

---

72 See Draft Applicant Guidebook, supra, at 1-6 (All new gTLD registries will be required to use the Trademark Clearinghouse to support its prelaunch or initial launch period rights protection mechanisms (RPMs))
73 Id. (Inclusion in the Clearinghouse is not proof of any right, nor does it create any legal rights. Failure to submit trademarks into the Clearinghouse should not be perceived to be lack of vigilance by trademark holders or a waiver of any rights, nor can any negative influence be drawn from such failure.)
(a) **Trademark Claims Service**\(^{74}\) — The Registry Operator will send notice of registration of a domain name that matches a trademark within the Trademark Clearinghouse to (i) potential registrants of domain names within the Trademark Clearinghouse that matches the trademarks and (ii) owners of the trademarks contained within the Trademark Clearinghouse.

(b) **Sunrise Period**\(^{75}\) — Trademark owners who have registered their mark with the Trademark Clearinghouse will have an exclusive period of time, (prior to the opening of a registration period to the general public), known as the “sunrise period,” to register domain names within the gTLD.

**ii) Dispute Resolution Mechanism**

ICANN has imposed additional dispute resolution processes beyond the Uniform Dispute Resolution Process (UDRP). However, the UDRP is still available.\(^{76}\) Each successful gTLD applicant who becomes a Registry Operator must comply with standard procedures in resolving disputes, through use of the following mechanisms:

(a) **Uniform Rapid Suspension System (URS)**\(^{77}\) — This is designed to be a “cost-effective and timely” mechanism for brand owners exhibiting a “clear cases of trademark abuse.”\(^{78}\) Essentially, domain name registrations found to be in violation of a brand owner’s rights are placed in a “frozen state.”\(^{79}\) The prevailing trademark owner does not acquire the

\(^{74}\) See Draft Applicant Guidebook, supra, at 5-11

\(^{75}\) See Draft Applicant Guidebook, supra, at 5-11

\(^{76}\) http://www.icann.org/en/topics/new-gtlds/gac-scorecard-23feb11-en.pdf (ICANN announced that the existing UDRP continues to be available with the new gTLD in cases where complainant seeks transfer of names. Basically, for all complaints that claim “Existing Legal Rights Objections” type of disputes.)

\(^{77}\) See Draft Applicant Guidebook, supra, at URS.

\(^{78}\) Id.

\(^{79}\) Id.
infringing domain name; rather, the domain name will point to a holding page until the end of the current registration period. After this suspension ends, anyone will be free to register the domain name.\textsuperscript{80} In addition, the domain name registrant (the alleged infringer) will have only 14 days to respond to a complaint (subject to a one week extension).\textsuperscript{81} However, a finding that the alleged infringer is not infringing on the trademark owner rights will always be without prejudice. This was, the trademark owner is not bared from pursuing another URS proceeding or action under the UDRP against the same domain name registrant.\textsuperscript{82}

(b) \textit{Post delegation dispute resolution procedure (PDDRP)} \textsuperscript{83}— Trademark owners may file a compliant against the registry when: 1) use of a string for a gTLD name is identical or confusingly similar to a mark, particularly in cases where the gTLD takes unfair advantage of the distinctive character or the reputation of the complainant's mark, impairs the distinctive character or the reputation of the complainant's mark, or creates a likelihood of confusion with the complainant's mark; and 2) where the registry engages in affirmative conduct that exhibits a "substantial pattern or practice of specific bad faith intent" to profit from the infringement of domain names.

In PDDRP, a third-party files the complaint electronically with an ICANN approved PDDRP Provider.\textsuperscript{84} Since actual registrants of domain names with the Registry Operator are not a party to these actions, the remedy cannot be to delete, transfer, or suspend any registrations. Thus, an Expert Panel may recommend a variety of remedies,

\textsuperscript{80} Id.
\textsuperscript{81} Id.
\textsuperscript{82} Id.
\textsuperscript{83} See Draft Applicant Guidebook, supra, at PDDRP
\textsuperscript{84} Id.
including ordering the Registry Operator to employ remedial measures to prevent future infringing registrations or require the Registry Operator to monitor registrations.

(c) **Registration Restriction Dispute Resolution Procedure (RRDRP)** — This procedure will cover disputes between third-party complainants harmed by a Community-Based gTLD Registry Operator that is not in compliance with the registry agreement. Established institutions and individuals associated with defined communities are eligible to file RRDRP complaints electronically with an ICANN approved provider. 

As with PDDRP, deletion, transfer, or suspension of registrations made in violation of the registry agreement are not feasible remedy options since registrants of domain names are not party to this type of action. An Expert Panel may recommend a variety of remedies against the Registry Operator; these can include measures to ensure that future registrations comply with the Community-Based limitations or suspension of Registry Operator’s rights to accept new domain name registrations within the gTLD until the violations are resolved.

V. REIGNING IN THE NEW gTLDs

Although the proposed protection measures discussed in Part III are a commendable first steps in ensuring the protection of trademark owners’ rights, many argue that they fail to adequately protect the interests of trademark owners. This Article is not as concerned with the adequacy of the proposed protection mechanisms as it is with the increased burdens that enforcement of these mechanisms will place on regulation and its impact on trademark owners. The rights of trademark owners remain subject to increased compromise and infringement.

---

85 Id.
86 See Draft Applicant Guidebook, supra, at PPDRP
87 Supra Part II.C (Discussing the inadequacies of the protection)
Trademark owners wishing to fully protect their intellectual property rights will incur substantial burdens and prohibitive costs. In addition to ICANN’s proposed mechanisms, they may have to pursue litigation in domestic courts or pressure legislators to enact additional remedial statues.

A. The Economics rationale of expanding the DNS

In 2007, the Board commissioned several economic studies to inform its decision making on the New gTLD Program. The commissioned economic studies that were told to specifically address the possible economic consequences of new gTLDs. Accordingly, ICANN retained the services of economist Dennis Carlton, who recently had served as the chief economist to the United States Department of Justice Antitrust Division. In 2009, Carlton issued his final report concluding that ICANN’s proposed framework for introducing new gTLDs was likely to “facilitate entry and create new competition to the major gTLDs such as .com, .net, and .org.”

The report went on the support this conclusion by pointing out that the new gTLDs would remove artificial restrictions on entry, based on the fundamental principles that “competition promotes consumer welfare and restrictions on entry impede competition.”

The report discarded concerns that the introduction of new gTLDs could harm consumer welfare by creating confusion or imposing costs on trademark holders by pointing out that issues rising intellectual property concerns, could be “addressed through existing dispute resolution mechanisms.” The report also suggested that concerns about the need for defensive registrations might be exaggerated. Pointing out that only a relatively limited number of registrations achieved by other new gTLDs like .info and .biz introduced in recent years (relative

---

88 DENNIS CARLTON, REPORT OF DENNIS CARLTON REGARDING ICANN’S PROPOSED MECHANISM FOR INTRODUCING NEW gTLDs, (June 5, 2009) http://www.icann.org/en/topics/new-gtlds/carlton-re-proposed-mechanism-05jun09-en.pdf
89 Id.
90 Id.
to .com) indicated that the vast majority of .com registrants did not find a compelling reason to undertake defensive registrations on the new gTLDs.

B. The Obligation to Lessen Government Burden

The concept of “lessening government burden,” which is stated in ICANN’s article of incorporation, originates from U.S Federal tax law, specifically from the Internal Revenue Code Section 501(c)(3). This is a provision that renders nonprofit organizations in the United States exempt from paying federal income taxes if they meet certain conditions. ICANN has 501(c)(3) status and has already passed the tests imposed by the Internal Revenue Service (IRS). \(^9\) Whether ICANN, in light of the recent decision to expand gTLDs, is still lessening government burden is debatable (using the term government broadly to mean any regulatory activity that results, whether administered by a government or service provider).

Rev. Rul. 85-2(9) of the Internal Revenue Code provides the most authoritative guidance as to what will qualify as "lessening the burdens of government." Here, the IRS established a two-part test: 1) whether an organization's activities are activities that a governmental unit considers to be its burdens, and 2) whether such activities actually "lessen" the governmental

\(^9\) See http://www.icann.org/en/financials/tax/us/appendix-4.htm; ICANN made this following representation when seeking non-profit tax status, "ICANN's tax-exempt purpose of lessening the burdens of government", “The second question--whether the organization is actually lessening the burdens of government--is a facts and circumstances determination. Rev. Rul. 85-2 states that "a favorable working relationship between the government and the organization is strong evidence that the organization is actually 'lesssening' the burdens of the government" (emphasis added). This favorable working relationship is evidenced by the Memorandum of Understanding which states that the DOC and ICANN will "jointly design, develop, and test the mechanisms, methods, and procedures that should be in place and the steps necessary to transition management responsibility for DNS functions now performed by, or on behalf of, the U.S. Government to a private-sector not-for-profit entity." If ICANN is fulfilling the terms set forth in the Memorandum of Understanding and if it eventually becomes solely responsible for DNS management activities, then it will lessen the burdens of government. That is, it will perform DNS management activities that the DOC would otherwise have the burden of performing.”
A finding of the second part of the test is a “facts and circumstances” determination, which is complex; its description is not entirely necessary for the purposes of this Article. Instead, analysis will be based on what ICANN presented at the time they applied for 501(c)(3) status. In answering the second part of the test, ICANN declared that a “favorable working relationship between the government and the organization is strong evidence that the organization is actually 'lessening' the burdens of the government.” They went on to point out that since they jointly worked with government to “design, develop, and test the mechanisms, methods, and procedures that should be in place and the steps necessary…for DNS functions” they were actually lessening government burden.

ICANN does three notably important things that actually lessen government burdens: (1) it approves companies to become accredited primary registrars for domain names; (2) it coordinates technical parameters to maintain universal connectivity to the Internet; and (3) it administers a Uniform Domain Name Dispute Resolution Policy (UDRP) for competing domain names. The UDRP was adopted by ICANN on the basis of recommendations made by WIPO to administer dispute resolution procedures. Since UDRP is limited to cases of bad-faith, abusive registration, its use for domain name disputes has proven highly popular among trademark owners. In any conflict, the UDRP does not prevent either party from submitting a dispute to a national or domestic court; but very few cases that have been decided under the UDRP have been brought before a national court of justice.

---

93 Supra n.95
94 Id.
95 Id.
96 Lipton, p39
C. Weighing the Costs Against the Benefits

Whether business owners decide to participate and buy a branded domain or register on other new generic domains. The costs, when weighted against the purported benefits promised, simply do not add up.

For instance, the Trademark Clearinghouse places high cost and burdens on trademark owners to supply and update the information stored. It needlessly burdens trademark owners with the duty of supplying trademark information and validating such information on an annual basis. In addition to these demands, brand owners pay a, yet to be determined, annual fee to cover the cost of participating in the Clearinghouse. However, since a trademark owner can choose not to register without impact on a subsequent dispute, those owners may choose to stake their claim through litigation or other dispute strategies. Going with the notion that prevention is better than cure, then arguably complying with the Clearinghouse and providing the required documents is a less costly alternative than dispute resolution. But, without actual cost information on the annual fee or other costs associated that is hard to conclude. Furthermore, the costs and burdens associated with submitting information to the Clearinghouse seems entirely too burdensome if it cannot later be used to object another party’s application to register a domain name. Why should a trademark owner have to use a separate dispute system to stake their rights to a mark? ICANN maintains that the Clearinghouse is just a “central repository of trademark information” and does not constitute “conclusive evidence of rights.” Fair, but why require an affidavit and a specimen showing use of the mark. This is essentially the same information that a trademark owner would need to produce to show “conclusive evidence of rights” in a mark for a dispute. So, why does the Clearinghouse exist if it can only be used as a “notification” tool? There is simply an overall lack of incentive for a trademark owner to want to sign into the process. The Clearinghouse
needs to offer additional benefits, besides serving as a list and notification to owners when another party wants to register a similar name, otherwise the costs just do not add up.

Another instance of how the costs do not add up is the proposed URS. The URS induces trademark owners into an inevitable yearly cycle of filing cyclical URS complaints. Since the URS freezes infringing domain names so that they resolve to a specific error pages for the registered term, abusive domain name applicants will register domain names for lengthier terms. While the proposed URS would certainly preclude infringing uses of these domain names, brand owners will be unable to actively use the infringing domain names for the remainder of the term, which could be several years. In these cases, brand owner may be forced to pursue another more costly remedy such as invoking the ACPA. The URS, though it promotes speedy processing, lacks the balances of restoring a trademark owner with the use of their mark, which exist in traditional trademark adjudication. You cannot have a system that wishes to successfully protect trademark owners’ rights without the necessary checks to ensure that due process is followed, otherwise the costs just do not add up.

Another potential problem lies in the String Contention Objection process. In a situation where multiple parties seeking the same string are unable to reach an agreement, ICANN anticipates that the contention will be resolved by one of the applicants agreeing to withdraw their applications. However, if the applicants are unable to reach an agreement, ICANN will use an auction to break the impasse. Like a typical auction, the auctioneer will increase the prices associated with the applications in the contention set, and the applicants indicate whether or not they are willing to pay these prices. As the prices rise, applicants are expected to exit the auction. The remaining applicants will pay the increased prices and proceed to the Delegation stage of the application process. Unfortunately, applicants with deep pockets who seek the more highly
sought generic TLD strings will capitalize on this auction process rather than staking an affirmative claim in their to the string. Sadly, these applicants can skate through by showing the minimal pre-registration requirements, knowing that they have the deep pockets to win any auction.

All of these flaws serve to illustrate how the costs and burdens associated with the new gTLDs outweigh the benefits. There is a lack of incentive for applicants to use many of the protection mechanism proposed by ICANN. The mechanisms represent additional operational costs that are likely to limit the number of registrations. This something that ICANN actually considers an advantage because the process will draw only serious applicants. But, ICANN fails to consider that the downside to that rationale is that businesses will eventually pass those out of pocket costs on to consumers.

**D. Redefining the scope of expansion**

While there is no single solution, the dilution to brand equity can never be recovered. Therefore, it is of great importance that ICANN reconsider the impact of the expansion. In establishing procedures and protection mechanisms, ICANN needs to revisit its obligations laid out in its Articles of Incorporation – lessening the burdens of government and promoting the global public interest. If the result of this new gTLD initiative is the approval of an unlimited number of new gTLDs, with an equally unlimited number of unforeseen consequences, then ICANN has failed its obligation.

ICANN should limit the expansion of new gTLDs to categorical group TLDs like .auto or .bank or .hotel etc. Presumably, these types of gTLDs are less contentious than corporate or multinational business .brand gTLDs, because they will most likely force a coalition within trade groups. The collaboration of large multinational businesses within a trade group encourages
discussions on desired trademark protection. These discussions are likely to forge very constructive relationships between trade groups and their respective national governments. Since governments make up the GAC, then GAC could become one of ICANN’s biggest ally in preventing fragmentized public interests.  

ICANN should also consider collapsing the proposed post delegation dispute mechanism into the existing UDRP. This creates consistency in dispute resolution. Reportedly, one of ICANN’s major successes has been the adoption of the UDRP. Trademark owners have come to trust and utilize the UDRP because it provides a faster, cheaper, and easier alternative to challenging domain names in domestic courts of law. UDRP proceedings were intended to focus on abusive domain name registration practices and the proposed post delegation mechanisms do not purport to solve a substantially different purpose. Hence, it makes sense to add them to the UDRP. On one hand, this may increase numbers of cases that the UDRP handles. On the other hand it streamlines the process and relies on an already established dispute mechanism. Even WIPO, the administrators of UDRP, agrees that ICANN’s introduction of new dispute resolution mechanism “risk[s] destabilising [the UDRP as a] well-respected enforcement tool”.

Lastly, ICANN should consider utilizing the GAC as an ally, rather than advisor. The ICANN Board should do more than entertain advice from the GAC. Instead, they should make room at the decision making table to treat GAC advice on an equal basis as supermajority vote.

---

98 Inspired by http://www.circleid.com/posts/what_icann_can_learn_from_humpty_dumpty/
99 Zinatul Zainol, et al, WIPO Panels’ interpretation of the Uniform Dispute Resolution Policy (UDRP) three-prong test, WORLD PATENT INFORMATION, 33, 275 - 281(2011)(through an analysis of the UDRP three-prong test, reveals that even though the UDRP affords a great degree of discretion to the WIPO Panels deciding any given case, there is some consistency and predictability inherent in the UDRP process)
100 www.wipo.int/edocs/mdocs/govbody/en/wo_ga_40/wo_ga_40_9.pdf (WIPO Expresses Trademark Concerns On New gTLDs And UDRP Change)
101 inspired by http://www.circleid.com/posts/new_gtld_auctions_and_potential_unintended_consequences
The Bylaws currently dictate that if the GAC advice comes in the form of a consensus statement, then the recommendation carries heavy weight and in moving forward ICANN must try to consult in good faith with the GAC to find a mutually acceptable. Since the GAC is a government of various national governments, they bring good insight on public policy issues to the decision making process. In fact, the recently signed Affirmation of Commitment,102 in which the government released the last of its technical oversight over the Internet, both the U.S government and ICANN recognize "the important role of the GAC with respect to ICANN decision-making and execution of tasks and of the effective consideration by ICANN of GAC input on the public policy aspects of the technical coordination of the Internet DNS." So, when the GAC presents public policy concerns, ICANN should consider meeting an agreed solution as a way to leverage later accusations of failing to meet the global public interests. Unfortunately, one downfall to this approach is that the GAC could be heavily lobbied, by their domestic constituents on what issues to press. Another downfall is that large more powerful governments could control the GAC agenda.

CONCLUSION

It is difficult to conclude that ICANN, in its approval of the expansion of gTLDs, is doing what is required according to its Articles of Incorporation. When ICANN started more than ten years ago, it progressively and cautiously balanced commercializing the Internet with its responsibility to businesses, supporting organizations, governments and technical entities.103 ICANN systematically built an orderly market, created policies for registries, fostered competition among registrars, and served the public interest. In fact, ICANN’s past proven and

102 ICANN CEO Talks About the New Affirmation of Commitments
103 Supra, n47 (notice ICANN Only released, a few gTLDs at a time)
effective method of introducing limited gTLDs, makes the proposed expansion uncharacteristic, unjustifiable and arbitrary.

While ICANN’s status as a public, non-governmental, global agency needs to be accepted and recognized, there should be lawful constraints on how its makes policy decision that either conflict with or undermines the "global public interest."\textsuperscript{104} As a starting point, ICANN needs to pay more respect to its obligations as laid out in its Articles of Incorporation, because it serves a good decision making compass. In addition, some form of independent review mechanism needs to be introduced in situations where the global public feels that a decision by the Board does not respect their interest. If ICANN fails to address the concerns that have been raised by trademark owners in a manner that is satisfactory, responsible, manner, the introduction of new gTLDs could pose a significant threat to consumers and undermine consumer confidence in the Internet. Granted, it is impossible to gain complete consensus, neither is it necessary, but the goal should meeting a majority of the global publics interest, not the Board.

The effects of the expansion remain to be seen, but it appears to have more potential to negatively impact more stakeholders than it does to rewards them or maintain status quo. For now, it simply looks like the new TLDs create money for ICANN’s primary constituents,\textsuperscript{105} but adds costs and confusion for businesses and the public at large and increases regulatory burdens.

\textsuperscript{104} Former ICANN Chairs Voice Concern With Domain Name Plan, http://techdailydose.nationaljournal.com/2011/11/former-icann-chairs-voice-conc.php (At this point, neither settled concerns raised by Trademark owners, neither has it sought consensus from the GAC.)

\textsuperscript{105} Id. ("Most of the people active in setting ICANN's policies are involved somehow in the domain-name business, and they would be in control of the new TLDs (top-level domain names) as well. It's worth it to them to spend their time at ICANN meetings (or to send staffers), whereas domain names are just a small part of customers' and user' lives."), http://judiciary.house.gov/hearings/pdf/Bourne05042011.pdf