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## ANTICIPATING CONFLICT—AN EVALUATION OF THE NEW GTLD DISPUTE RESOLUTION SYSTEM

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### Abstract

The Internet Corporation for Assigned Names and Numbers (“ICANN”) has implemented an ambitious programme to expand the domain name system. The programme will make available new generic-Top-Level-Domain names (“gTLDs”). New gTLDs, the letters after the last dot in a web address (i.e. <.org>), will be available to applicants able to meet ICANN’s demanding application requirements. As part of the expansion, ICANN has drafted a guidebook (“AGB”) providing the rules and standards for obtaining a new gTLD. The AGB includes dispute resolution measures aimed at protecting parties with existing legal rights in the expansion process. The following paper considers the dispute resolution systems in the AGB for objecting to or blocking new gTLDs. The AGB contains systems for resolving disputes prior to the launch of a gTLD, and after a gTLD has been issued. The focus of this article is largely on the rights of parties to challenge new gTLDs during the application process, prior to delegation or “launch” of a new gTLD.

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## 1. Introduction

After much discussion, planning, and conflict, the Internet Corporation for Assigned Names and Numbers (“ICANN”) has implemented a programme with the potential to greatly expand domain name offerings on the Internet. Expansion of generic-Top-Level-Domain names (“gTLDs”), the letters after the last dot in a web address (i.e. <.com>), has been a long-term plan of ICANN. ICANN’s goals of increasing competition, fostering innovation, and providing users with greater choice are some of the central reasons for making available new gTLDs.<sup>1</sup> The expansion of gTLD offerings is interesting to brand owners, communities, and trade associations, among others. The new gTLD expansion has also been a source of concern for trademark owners and other rights holders.

Securing a new gTLD will require an extensive application process and considerable capital.<sup>2</sup> The requirements for obtaining a new gTLD are provided for in the Applicant Guidebook (“AGB”), which has been drafted by ICANN to provide the “rules of the road” for the upcoming launch.<sup>3</sup> The rules provided in the AGB include guidelines for applicants, costs, and clarification of much of the new gTLD delegation process.<sup>4</sup> Among other systems designed to protect parties and limit risks to users, the AGB provides a system for resolving disputes. In an attempt at effective dispute resolution, the AGB provides for both *ex ante* and *ex post* dispute resolution procedures for new gTLDs.

In this paper, the focus is largely on the rights of parties to challenge new gTLDs during the application process, prior to delegation or “launch” of a new gTLD. Specifically, the paper provides analysis of “Module 3” of the AGB, which contains the AGB’s objection-based system for dispute resolution. The paper considers the present launch in the context of past expansions, concerns and tensions in the current expansion, and provides some comparison to systems of online dispute resolution currently being used. The paper further evaluates the standards and procedures provided for in the dispute resolution procedure contained in Module 3 of the AGB. This evaluation considers practical aspects of the available objections and attempts to predict the challenges they may present in expanding domain names.

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<sup>1</sup> Z Efroni, “Names as Domains, Names as Marks: Issues Concerning the Interface between Internet Domain Names and Trademark Rights” in P Yu (ed), *Intellectual Property and Information Wealth: Issues and Practices in the Digital Age* (Praeger Publishers, 2007), at 375.

<sup>2</sup> The application window will last for 90 days while it may take between 9 to 20 months to obtain a new gTLD. AGB, at 1.1.3.

<sup>3</sup> ICANN, “gTLD Applicant Guidebook, Version 2012-06-04” (2012) available at <http://newgtlds.icann.org/en/applicants/agb>, (accessed 6 Jun 2012).

<sup>4</sup> Steps to delegation include an administrative check, initial evaluation, possible extended evaluation, string contention check, and potential dispute resolution proceedings. ICANN, “New gTLDs FAQs, v. 2.7.” available at <http://newgtlds.icann.org/en/applicants/customer-service/faqs/faqs-en>, (accessed 24 May 2012).

## 2. Background: The Domain Name System

On the Internet, computers find each other using a string of numbers known as an Internet Protocol (“IP”) address.<sup>5</sup> IP addresses are essential to routing packets of data over the Internet.<sup>6</sup> The Domain Name System (“DNS”) operates based on a hierarchy of names and acts as a central system for routing traffic on the Internet.<sup>7</sup> The well-worn, but useful analogy is that the DNS system operates as the Internet’s phonebook. Internet users can find the IP address they need by locating the corresponding domain name.

By typing a domain name into a browser, an Internet user is able to locate websites with words or phrases instead of numbers. Although domain names are not essential for finding locations on the Internet, they do provide for a more user-friendly method of navigation.<sup>8</sup> For example, to access the search engine Yahoo® an Internet user has the option of entering either <209.191.122.70> or <www.yahoo.com>.<sup>9</sup> A top-level domain (“TLD”) refers to part of a web address making up the two or more letters after the last dot.<sup>10</sup> For example, in the address <[www.google.com](http://www.google.com)>, <.com> is the TLD. A second-level domain (“SLD”) name is directly to the left of the TLD, for example <www.secondlevel.com>.<sup>11</sup> Traditionally, the second level has been the section of a domain name where a trademark such as Nike® is displayed (i.e. <[www.nike.com](http://www.nike.com)>). However, a trademark may also be placed at the Third Level Domain (“thLD”) (i.e. <[www.nike.free.com](http://www.nike.free.com)>).

Currently, available open gTLDs, among others, include <.com>, <.net>, and <.org>.<sup>12</sup> Not all gTLDs are open. For example, <.gov> is limited to the US government.<sup>13</sup> Specialised or “sponsored” top-level domain names like <.pro> or <.jobs> represent a specific community and are only available to qualifying applicants.<sup>14</sup> In addition to gTLDs, country code Top Level Domains (“ccTLDs”) are

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<sup>5</sup> L Bygrave and J Bing, *Internet Governance: Infrastructure and Institutions* (Oxford: OUP, 2009), at 150.

<sup>6</sup> *Ibid*, 147-48.

<sup>7</sup> S Alikhan and R Mashelkar, *Intellectual Property and Competitive Strategies in the 21<sup>st</sup> Century* 2nd ed (Alphen aan den Rijn: Wolters Kluwer, 2009), at 194; B Borchert, “Imminent Domain Name: The Technological Land-Grab and ICANN’s Lifting of Domain Name Restrictions” (2011) 45 *Valparaiso University Law Review* 505-549, at 508 available at <http://scholar.valpo.edu/vulr/vol45/iss2/3> (accessed 28 Sept 2011) (stating that the DNS is not a singular file, but is made up multiple networks).

<sup>8</sup> L Bygrave and J Bing, *Internet Governance: Infrastructure and Institutions* (Oxford: OUP, 2009), at 47. See also J Kesan and S Rajiv, “Fool Us Once Shame on You - Fool Us Twice Shame on Us: What We Can Learn from the Privatizations of the Internet Backbone Network and the Domain Name System” (2001) 79 *Washington University Law Quarterly* 89-220, at 89.

<sup>9</sup> Yahoo! Inc., “Company Information” available at <http://info.yahoo.com/center/us/yahoo/> (accessed 11 Nov 2011).

<sup>10</sup> E Schierman, “Make Room for Trademark: What You Should Know About the New Global Domain Names” (2010) 53-Feb *Advocate* 25-29, at 25.

<sup>11</sup> L Bygrave and J Bing, *Internet Governance: Infrastructure and Institutions* (Oxford: OUP, 2009), at 148.

<sup>12</sup> ICANN, “Top-Level Domains (gTLDs)” available at <http://archive.icann.org/en/tlds/> (accessed 11 Nov 2012) (stating that “[d]omain names may be registered in...<.com, .net, and .org> without restriction”).

<sup>13</sup> Both .gov and .mil predate ICANN.

<sup>14</sup> ICANN “Information Page for Sponsored Top-Level Domains” available at <http://www.icann.org/en/tlds/stld-apps-19mar04/> (accessed 22 Sept 2011).

also available. There are currently 250 ccTLDs while there are only twenty-two gTLDs.<sup>15</sup> Unlike gTLDs, the use and terms of ccTLDs are controlled, to a certain extent, by agencies in individual countries.<sup>16</sup> Countries with catchy abbreviations, like <.co> (Columbia) and <.tv> (Tuvalu) have made their ccTLDs available for registration by private parties located outside of their borders.<sup>17</sup>

Like the IP numbers they represent, domain names must also be unique. The more memorable or well known a domain name is, the more valuable it generally becomes.<sup>18</sup> Domain names may also have significance outside of their commercial application for culture, language rights, and multilingualism on the Internet.<sup>19</sup> New gTLDs, along with Internationalized Domain Names (“IDNs”), could provide new avenues for cultural and linguistic expression.<sup>20</sup>

Domain names corresponding with well-known or famous trademarks are highly sought after by both trademark owners and parties wishing to profit from the notoriety or recognition of the trademark.<sup>21</sup> As many facets of the modern economy continue to move online, a company’s domain name, which is often at the core of its online image, has become an increasingly important asset.<sup>22</sup> Although domain names are still available in existing gTLD registries, much of the beachfront property is occupied.<sup>23</sup> Therefore, ICANN has decided it is time to create a bigger beach.

### 3. ICANN and the Domain Name System

ICANN is a private, not-for-profit entity.<sup>24</sup> Much of ICANN’s authority over the Internet is derived from contracts or other agreements with the United States

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<sup>15</sup> *Ibid.*

<sup>16</sup> J Swinson, “Domain Directors PTY Ltd v .AU Domain Administration LTD” (2010) 16 *Computer Law Review* 147-148, at 147. The actual management of the ccTLD may be carried out on a private basis.

<sup>17</sup> Pfanner, Eric, “For Countries That Own Shorter Web Site Suffixes, Extra Cash from Abroad,” N.Y. Times, (6 Feb 2011) available at <http://www.nytimes.com/2011/02/07/technology/07dotco.html?ref=internetcorpforassignednamesandnumbers> (accessed 25 Mar 2011).

<sup>18</sup> K Manheim and L Solum, “The Case for gTLD Auctions: A Framework for Evaluating Domain Name Policy” (23 Mar 2003) available at <http://ssrn.com/abstract=388780>, at 27. See also J Lipton, *Internet Domain Names, Trademarks and Free Speech* (Edward Elgar, 2010) 1-325, at 293.

<sup>19</sup> D Mac Sithigh, “More than Words: The Introduction of Internationalized Domain Names and the Reform of Generic Top-Level Domains at ICANN” (2010) 18 *International Journal of Law and Information Technology*, 274-300.

<sup>20</sup> *Ibid.*

<sup>21</sup> K Manheim and L Solum, “An Economic Analysis of Domain Name Policy” (2004) Vol. 25 *Hastings Communications and Entertainment Law Journal* Vol. 25 317-452, , 325. See also J Lipton, *Internet Domain Names, Trademarks and Free Speech* (Edward Elgar, 2010) 1-325, at 305 (arguing that domain names are the closest thing to real property available on the Internet).

<sup>22</sup> J Thomas, “Fifteen Years of Fame: The Declining Relevance of Domain Names in the Enduring Conflict between Trademark and Free Speech” (2011) 11 *John Marshall Review of Intellectual Property Law* 1-58, at 43 available at <http://www.jmripl.com/issues/article/256> (accessed 5 Jun 2012).

<sup>23</sup> N Brown, “Six Degrees of Disputation New DRPs for New gTLDs on the Internet” (2012) 66 *Dispute Resolution Journal* 46- 54, at 48.

<sup>24</sup> J Weinberg, “Governments, Privatization and ‘Privatization’: ICANN and the GAC” (2011) 18 *Michigan Telecommunications and Technology Law Review* 189-218.

Government (“USG”).<sup>25</sup> In addition to other functions, ICANN plays a central role in the coordination and management of the Domain Name System.<sup>26</sup> In its role as coordinator of the DNS, ICANN has expanded domain names in the past. In the following section, I consider past gTLD expansions and discuss the focus in the current round.

Although ICANN does not distribute domain names directly to users, it does determine the TLDs that will ultimately be made available for distribution.<sup>27</sup> ICANN makes its decisions based on the input of a wide community consisting of private Internet users, businesses, governments, and an array of commercial and non-commercial interests.<sup>28</sup> ICANN’s bottom-up, Multi-Stakeholder Model is a core principle of governance and is acknowledged in important USG/ICANN agreements like the Affirmation of Commitments (“AOC”).<sup>29</sup> Consistent with the Multi-Stakeholder model, ICANN has incorporated advice and comments from its broad base of stakeholders into the gTLD programme.

As a result of ICANN’s ability to determine available gTLDs, it plays an essential role in the evolution of the Internet.<sup>30</sup> By determining the TLDs available, ICANN controls, to a large extent, what the Internet will ultimately look like to users. There are currently over 200 million domain names.<sup>31</sup> What the next 200 million look like may be significantly affected by the current expansion.

### 3.1 Expansion of gTLD Names

ICANN has expanded gTLD offerings on two prior occasions.<sup>32</sup> The first gTLD expansion occurred in 2000 and included the gTLDs <.biz> and <.info>, in addition to others.<sup>33</sup> There was excitement regarding some of the proposed gTLDs, particularly <.biz>.<sup>34</sup> The new gTLD <.biz> was seen as a possible rival to <.com>.

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<sup>25</sup> In 2009, the USG and ICANN entered into the Affirmation of Commitments (“AOC”) available at <http://www.icann.org/en/about/agreements/aoc> (accessed 1 May 2012). See M Froomkin, “Almost Free: An Analysis of ICANN’s ‘Affirmation of Commitments’” (2011) 9 *Journal of Telecommunications and High Technology Law*, 187-233, at 190-198.

<sup>26</sup> *Ibid.* See also L Bygrave and J Bing, *Internet Governance: Infrastructure and Institutions* (Oxford: OUP, 2009), at 150.

<sup>27</sup> Excluding “legacy” names pre-dating ICANN.

<sup>28</sup> ICANN, “Groups” available at <http://www.icann.org/en/groups> (accessed 5 Jun 2012).

<sup>29</sup> ICANN, “Affirmation of Commitments by the United States Department of Commerce and the Internet Corporation for Assigned Names and Numbers” available at <http://www.icann.org/en/documents/affirmation-of-commitments-30sep09-en.htm> (accessed 9 Sept 2011).

<sup>30</sup> See e.g. ICANN, “About ICANN” available at <http://www.icann.org/en/about/> (accessed 7 Mar 2011).

<sup>31</sup> VeriSign, “Domain Name Industry Brief” (2010) available at [http://www.verisigninc.com/assets/Verisign\\_DNIB\\_Nov2010\\_WEB.pdf](http://www.verisigninc.com/assets/Verisign_DNIB_Nov2010_WEB.pdf) (accessed 11 Nov 2011).

<sup>32</sup> W Kleinwachter, “High Noon in Singapore? ICANN’s new gTLD program at a crossroads” (2011) available at <http://news.dot-nxt.com/2011/05/18/high-noon-in-singapore> (accessed 17 Aug 2011) (stating that gTLDs predating ICANN are: <.com .edu .gov .int .mil .net .org .arpa>). Prior to ICANN’s existence, Jon Postel planned to introduce 150 gTLDs.

<sup>33</sup> Including gTLDs: <.aero .biz .coop .info .museum .name .pro>. ICANN, “List of gTLDs” available at <http://www.icann.org/tlds/app-index.htm> (accessed 11 Feb 2011).

<sup>34</sup> M Wang, “Regulating the Domain Name System: Is the ‘.Biz’ Domain Name Distribution Scheme an Illegal Lottery?” (2003) 1 *University of Illinois Law Review* 245-288, at 263. See also P Michael,

In the 2000 round, the ICANN board considered forty-four applications for gTLDs, ultimately accepting seven of them.<sup>35</sup> The process was described as “complex, expensive, and somewhat mysterious.”<sup>36</sup> In one article, the authors described the 2000 process as “no way to make law, sausage or domain name policy.”<sup>37</sup> Among other criticisms of the process, gTLD applicants had very little time to review staff recommendations and it was claimed that “the Board’s discussion was based on trivial factors, such as whether a gTLD string was ‘pronounceable.’”<sup>38</sup> ICANN’s failure to provide a more systematic approach, which would have included rules that were clear and available to gTLD applicants, created problems in the 2000 round. Thus it was necessary to take a more measured and orderly approach in future expansions.

A second gTLD expansion took place in 2004. The 2004 expansion was largely aimed at sponsored gTLDs, that is, domain names with restrictive eligibility requirements.<sup>39</sup> The new gTLDs were targeted at specific groups by using gTLDs such as <.travel> or <.pro>.<sup>40</sup> Although the 2004 round certainly added some choice, new gTLD names like <.museum> never quite took off.<sup>41</sup> There was also considerable discussion and protest over the gTLD <.xxx>, which was aimed at adult themed websites.<sup>42</sup> Although <.xxx> was not accepted during the 2004 round, the name was ultimately cleared for use in 2011.<sup>43</sup>

As early as 2005, the Generic Names Supporting Organization (“GNSO”) began discussing an open round of gTLD expansion. In October 2007, the GNSO completed its policy development work on new gTLDs.<sup>44</sup> On 16 June 2008, ICANN formally announced that it would allow new gTLDs and began preparations for the

“ICANN’s Implementation Recommendation Team for New gTLDs: Safeguards Needed” (2009) 16.10 *Progress & Freedom Foundation Progress on Point*, at 2.

<sup>35</sup> ICANN, “Criteria for Assessing TLD Proposals” (15 Aug 2000) available at <http://archive.icann.org/en/tlds/tld-criteria-15aug00.htm> (accessed 5 May 2012).

<sup>36</sup> See Manheim and Solum (2004), at 410.

<sup>37</sup> *Ibid.*

<sup>38</sup> *Ibid.*

<sup>39</sup> *Ibid.*, 26.

<sup>40</sup> Including gTLDs: <.asia .cat .jobs .mobil .tel .travel>. ICANN, “Information Page for Sponsored Top-Level Domains” available at <http://www.icann.org/tlds/stld-apps-19mar04/> (accessed 11 Feb 2011).

<sup>41</sup> J Levine, “What are TLDs Good For?” (3 Jul 2009) available at [http://www.circleid.com/posts/20090703\\_what\\_are\\_tlds\\_good\\_for/](http://www.circleid.com/posts/20090703_what_are_tlds_good_for/) (accessed 30 Sept 2011) (maintaining that “<.museum> is a noble failure, with only about 200 registrants, a lot of dead links, and negligible visibility”).

<sup>42</sup> ICANN, “XXX Comments,” available at <http://forum.icann.org/lists/xxx-comments/> (accessed 28 Sept 2011). During consideration of the gTLD, ICANN received over 90000 email messages concerning the <.xxx> proposal.

<sup>43</sup> M Helft, “Pornography Sites Will Be Allowed to Use .XXX Addresses,” *N.Y. Times*, Mar 18, 2011 available at [http://www.nytimes.com/2011/03/19/technology/19domain.html?\\_r=1](http://www.nytimes.com/2011/03/19/technology/19domain.html?_r=1) (accessed 27 Sept 2011). See also R Richards and C Calvert, “Adult Websites and the Top-Level Domain Debate: ICANN’s Adoption of .XXX Draws Adult-Industry Ire” (2011) 29 *Cardozo Arts and Entertainment Law Journal* 527-556.

<sup>44</sup> ICANN GNSO, “Final Report - Introduction of New Generic Top-Level Domains” (8 Aug 2007) available at <http://gns0.icann.org/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm> (accessed 16 Aug 2011). See also ICANN, “Factsheet” available at <http://www.icann.org/en/topics/new-gtlds/factsheet-new-gtld-program-20jul11-en.pdf> (accessed 16 Aug 2011).

expansion.<sup>45</sup> The first version of the AGB was published for public comment in October 2008.<sup>46</sup> In the following three years, ICANN continued to release various drafts of the AGB. The most recent version of the AGB was released on 4 June 2012.<sup>47</sup>

A clear divergence from earlier rounds is the scope of the current procedure. Unlike the 2000 and 2004 rounds, it is expected that hundreds of new gTLDs may be created. As noted by one author, it “has been one of the most contentious and longest running disputes at ICANN.”<sup>48</sup> Unlike the 2000 and 2004 rounds, with pre-determined offerings, the current “wide-open” expansion has brought with it a measure of concern, particularly for trademark holders and brand owners.<sup>49</sup>

Based on the comprehensive AGB, the current round provides increased structure compared to the 2000 round. Moving from a system of pre-defined offerings to wide-open gTLDs should also allow for increased opportunity compared to the 2004 expansion. However, this is not guaranteed. Even with a high level of applicants, the number of new gTLDs that are able to survive the application process may be substantially restricted, depending on how broadly objections to new gTLDs are applied.

For businesses and individuals that missed out on the domain name of their choice, the expansion may also provide something of a second chance for a stronger online presence.<sup>50</sup> Applicants may also be interested in entering registry or registrar markets. Parties able to secure a popular gTLD will have an opportunity for increased SLD name sales.<sup>51</sup> Companies that secure their own TLD domain will no longer have to fight to obtain their domain name of choice for advertising campaigns. In short, new gTLDs have the potential to provide the right applicants with substantial benefits.

#### **4. Application of the gTLD Dispute Resolution Procedure (DRP)**

##### **4.1 Introduction**

Minimising conflict by design has been a central theme in the creation of the new gTLD application process. This section considers the new dispute resolution procedure provided for in the AGB. Based on its experiences during the gTLD

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<sup>45</sup> ICANN, “About the New gTLD Program” available at <http://www.icann.org/en/topics/new-gtlds/history-en.htm> (accessed 11 May 2011).

<sup>46</sup> K Rosette, “ICANN and Trademark Protection in New GTLDs” (2010) 223 *Trademark World* 39-43; ICANN, “New gTLD Program: Draft Applicant Guidebook (Draft RFP)” (24 Oct 2008) available at <http://www.icann.org/en/topics/new-gtlds/draft-rfp-24oct08-en.pdf> (accessed 11 May 2011).

<sup>47</sup> ICANN, “gTLD Applicant Guidebook Version 2012-06-04” available at <http://newgtlds.icann.org/en/applicants/agb>, (accessed 6 Jun 2012).

<sup>48</sup> M Froomkin, “Almost Free: An Analysis of ICANN’s ‘Affirmation of Commitments’” (2011) 9 *Journal of Telecommunications and High Technology Law*, 187-233, at 225.

<sup>49</sup> CH Farley, “Convergence and Incongruence: Trademark Law and ICANN’s Introduction of New Generic Top-Level Domains” (2009) 25 *John Marshall Journal of Computer & Information Law* 625-633.

<sup>50</sup> B Borchert, “Imminent Domain Name: The Technological Land-Grab and ICANN’s Lifting of Domain Name Restrictions” (2011) 45 *Valparaiso University Law Review* 505-549, at 506.

<sup>51</sup> *Ibid.*

expansions of 2000<sup>52</sup> and 2004,<sup>53</sup> ICANN gained insight into the legal, technical, and political conflicts inherent in creating new gTLDs. As a result, ICANN is arguably in a better position to implement an effective dispute resolution system in the current round. In the following section I provide an overview of the new gTLD application process, with a particular focus on the dispute resolution aspects provided for in Module 3. In evaluating the Module 3 systems, some comparison to the *ex post* approach taken by the Universal Dispute Resolution Policy (“UDRP”) is valuable.<sup>54</sup> Discussion of some of the similarities (and differences) between the UDRP and the Module 3 dispute resolution system is included in this section.

#### **4.2 Overview of the New gTLD Procedure**

The new gTLD programme will allow applicants to apply for a gTLD during specified time periods or rounds. The first round of applications opened on 12 January 2012 and closed on 30 May 2012, receiving over 1900 applications.<sup>55</sup> Applicants seeking a gTLD had the option to apply with either a “standard” or a “community based” application.<sup>56</sup>

In order to obtain a new gTLD there are several hurdles that must be cleared. Many of the challenges are common to both gTLD application types. First, applications for new gTLDs must pass a rigorous administrative check. Applicants must also pay an \$185,000 application fee.<sup>57</sup> Applications that pass the administrative check will then be posted on the ICANN website for public comment.<sup>58</sup> The comment period allows members of the Internet community, without any specific interest, to raise concerns regarding new gTLDs. In addition to general comments, applications may receive an “Early Warning notice” from ICANN’s Governmental Advisory Committee (“GAC”).<sup>59</sup> ICANN will also consider factors like general business diligence and criminal history.<sup>60</sup> Following the comment period and background screening, ICANN will conduct its Initial Evaluation (“IE”) of gTLD applications.<sup>61</sup> In conducting the IE of new gTLDs, the reviewing body will consider a variety of issues surrounding the application including similarity to existing applications, DNS stability, and use of geographic names.

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<sup>52</sup> Information including applications and guidebooks from the 2000 round available at <http://www.icann.org/en/tlds/app-index.htm> (accessed 11 May 2011).

<sup>53</sup> Information including applications and guidebooks from the 2004 round available at <http://www.icann.org/en/tlds/stld-apps-19mar04/> (accessed 11 May 2011).

<sup>54</sup> ICANN, “Uniform Domain-Name Dispute-Resolution Policy” available at <http://www.icann.org/en/help/dndr/udrp> (accessed 11 May 2011).

<sup>55</sup> A Atallah, “New gTLD Update (30 May 2012)” *ICANN*, available at <http://newgtlds.icann.org/en/announcements-and-media/announcement-3-30may12-en> (accessed 31 May 2012). Further rounds have not yet been scheduled.

<sup>56</sup> AGB, at 1.2.3.1.

<sup>57</sup> AGB, at 1.5.1. See AGB at 1.5.2 (providing additional fees for community application).

<sup>58</sup> AGB, at 1.1.2.3.

<sup>59</sup> AGB, at 1.1.2.4. The warning provides the applicant with notice that their application is seen as “sensitive or problematic by one or more governments.”

<sup>60</sup> AGB, at 2.1.1.

<sup>61</sup> AGB, at 2.2.

After the results of the IE are announced, parties have approximately seven months to make formal objections.<sup>62</sup> In addition to paying required fees, there are two basic procedural requirements for making a formal objection.<sup>63</sup> First, the objection must be timely. Second, the objecting party must have standing.<sup>64</sup> The standing requirements perform three functions which are determining general eligibility to make an objection, the objections available to a party, and the dispute resolution service provider that will consider the objection.<sup>65</sup> The four grounds for an objection include: String Confusion, Legal Rights, Limited Public Interest, and a Community Objection.<sup>66</sup> In addition to objections based on specific rights, ICANN has added a “GAC Advice on New gTLDs” procedure to Module 3. The GAC objection provides GAC members the opportunity to make a formal (or equivalent) objection, even though they would not meet general standing requirements set out in Module 3.<sup>67</sup> In addition to the objections generated by private parties or organisations, ICANN will select an Independent Objector (“IO”) to make objections based on “the best interests of the public who use the global Internet.”<sup>68</sup>

During objection proceedings, the objecting party bears the burden of proof.<sup>69</sup> Claims available to a third-party are dependent on the legal rights of the objecting party. If a third-party has a sufficient basis for an objection on more than one ground, they may include a combination of objections, or even make multiple objections arising from the same circumstances. However, the objections must be made to the appropriate provider. Although the policy has been developed by ICANN, private dispute resolution service providers (“DRSPs”) will carry out proceedings based on formal complaints.<sup>70</sup>

If an objection is successful, the new gTLD will be ineligible for further review and will not be issued.<sup>71</sup> For the party applying for a new gTLD, this determination is dispositive. There is no appeal at this step of the process. The party seeking a new gTLD may apply again in future rounds. For the party making the objection, the dispute resolution is only one of several available measures to protect their rights. If the objector does not succeed with their opposition to a new gTLD at the application stage, affected parties will still have UDRP and other Rights Protection Measures (“RPMs”) available.<sup>72</sup> However, after the gTLD is issued, absent abuse of the gTLD,

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<sup>62</sup> AGB, at 1.1.2.6. See also ICANN, “Fact Sheet” (2011) available at <http://archive.icann.org/en/topics/new-gtlds/objection-dispute-resolution-fact-sheet-14dec11-en.pdf> (accessed 4 Jun 2012).

<sup>63</sup> AGB, at 1.5.2.

<sup>64</sup> Dispute Resolution Procedures (hereinafter “DRP”), at Art. 1(d).

<sup>65</sup> AGB, at 3.0-3.1. See also AGB, at. 3.2.1, 3.2.2.

<sup>66</sup> AGB, at 3.2.1.

<sup>67</sup> AGB, at 3.2.2.

<sup>68</sup> AGB, at 3.2.5. The IO is limited to filing objections on the grounds of Limited Public Interest and Community.

<sup>69</sup> AGB, at 3.5.

<sup>70</sup> AGB, at 3.2.3.

<sup>71</sup> In the case of a string contention objection, the result may also include string contention proceedings. See AGB, at 4.1.

<sup>72</sup> AGB, at 5.4.1.

there is no clear avenue for the objecting party to stop or “block” the new gTLD from proceeding.<sup>73</sup>

### **4.3 UDRP and the New gTLD Dispute Resolution Procedure**

In 1999, ICANN drafted the UDRP as a means of combating cybersquatting and quickly resolving disputes over domain names.<sup>74</sup> Although the UDRP and the new gTLD dispute resolution process have procedural and substantive differences, the UDRP provides a useful comparison when evaluating aspects of the new gTLD system. The UDRP has been widely used to adjudicate domain name disputes and uses standards that are similar to those in the new gTLD programme.<sup>75</sup> All new gTLD applications are subject to the objection-based dispute resolution procedure in Module 3 of the AGB.<sup>76</sup> ICANN’s authority to require both the UDRP and the new gTLD dispute resolution procedure is derived from its monopoly over the DNS.<sup>77</sup> ICANN’s “jurisdiction” over UDRP domain name determinations and new gTLD resolutions is essentially contractual.<sup>78</sup>

Both systems provide a form of online arbitration among other common factors.<sup>79</sup> For example, both procedures are drafted in a concise manner and provide a specific and limited remedy.<sup>80</sup> Under the UDRP, the remedy is limited to cancellation or transfer of the domain name.<sup>81</sup> Pursuant to the new gTLD procedure, the remedy is limited to blocking a new gTLD.<sup>82</sup> Additionally, both systems have a simple substantive structure. As designed, the new gTLD system, like the UDRP, is intended to allow access to unsophisticated parties or those without legal representation.<sup>83</sup> Both systems use private dispute resolution service providers instead of court systems. Both processes are relatively condensed and provide the parties with rather short

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<sup>73</sup> See AGB, at Module 5 (providing additional rights protection measures).

<sup>74</sup> J Hörnle, *Cross-border Internet Dispute Resolution* (Cambridge: CUP, 2009), at 187.

<sup>75</sup> ICANN, “GNSO Final Issue Report: the Current State of the UDRP” (3 Oct 2011) available at <http://gns0.icann.org/issues/udrp/udrp-final-issue-report-03oct11-en.pdf> (accessed 5 Jun 2012).

<sup>76</sup> AGB, at 3.2.1.

<sup>77</sup> T Bettinger et al (eds), *Domain Name Law and Practice: An International Handbook* (Oxford: Oxford University Press, 2005), at 947.

<sup>78</sup> T Shahan, “The World Summit on the Information Society & the Future of Internet Governance” (2006) 10 *Computer Law Review & Technology Journal* 325-355, at 334-35.

<sup>79</sup> G Kaufmann-Kohler and T Schultz, *Online Dispute Resolution: Challenges for Contemporary Justice* (Kluwer Law International 2004), at 6 (discussing the extensive use of the process and the low number of UDRP appeals). But see K Komaitis, *The Current State of Domain Name Regulation: Domain Names As Second Class Citizens In A Mark-Dominated World*, (Abingdon: Routledge, 2010), at 89-91 (arguing that referring to the UDRP as arbitration proceedings is a “common mistake” as “the UDRP is confusingly similar to arbitration as it resembles its nature, but neither serves justice nor facilitates the parties’ needs”).

<sup>80</sup> ICANN, “UDRP Procedure” available at <http://www.icann.org/en/dndr/udrp/policy.htm> (accessed 23 Mar 2011).

<sup>81</sup> *Ibid*, at point 3 (“Cancellations, Transfers, and Changes.”).

<sup>82</sup> *Ibid*, at 4(i) (“The remedies available to a complainant pursuant to any proceeding before an Administrative Panel shall be limited to requiring the cancellation of your domain name or the transfer of your domain name registration to the complainant.”).

<sup>83</sup> R Owens, “Domain-Name Resolution after *Sallen v. Corinthians Licenciamentos & Barcelona.com, Inc. v. Excelentissimo Ayuntamiento de Barcelona*” (2003) 18 *Berkeley Technology Law Journal* 257-274, at 265.

timeframes to respond to complaints. In the case of the Module 3 policy, the respondent's time frame is thirty days, while the UDRP only provides the respondent with twenty days to answer.<sup>84</sup>

The UDRP policy also significantly differs from the Module 3 policy provided for in the AGB. One such difference is the time the objections are made available. Unlike the UDRP, the new gTLD proceedings in Module 3 take place prior to the domain name being issued. At the point the Module 3 proceedings may be utilised, the applicant has not been granted use of, or any rights to a new gTLD. The UDRP policy considers complaints under a different distribution system. Unlike the Module 3 process, the UDRP does not consider domain names that are subject to a pre-approval. Stated differently, the second-level domain name being challenged pursuant to the UDRP has already been issued, on a first-come-first-served-basis.<sup>85</sup>

The cost of obtaining a new gTLD is significantly higher than that of a SLD name under an existing gTLD.<sup>86</sup> As a group, those able to afford a new gTLD are likely to have greater financial and legal resources available. Under the UDRP, if a party does not agree with the decision rendered by a dispute resolution provider, they have the option of pursuing the matter in court on a *de novo* basis.<sup>87</sup> The Module 3 process does not allow for *de novo* review. In that regard, the decision from the DRSP is final.

The Module 3 gTLD process and the UDRP are not mutually exclusive or separate processes in the life of a new gTLD. In the case of new gTLDs, the UDRP will also be applicable. However, by allowing objections early in the process, ICANN has provided interested parties with the means to protect intellectual property interests prior to infringement. Although drawing on some of the properties of the UDRP, the Module 3 process remains distinct. In the following sections I consider the individual objections themselves as provided for in the new gTLD process. Where appropriate, comparisons to and analysis of the UDRP takes place.

## **5. Objection Based on Confusion between Potential gTLD “String” and an Existing or Applied-for gTLD**

Of the four objections provided for in the Module 3 procedure, there are two that are particularly relevant for trademark holders.<sup>88</sup> The first of these is the “string confusion objection.” The objection will allow certain right holders to contest an applied for

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<sup>84</sup> See Attachment to Module 3 Article 11(b) and UDRP Rule 5(a) available at <http://www.icann.org/en/help/dndr/udrp/rules> (accessed 25 May 2012).

<sup>85</sup> See S Reed, “Sensible Agnosticism: An Updated Approach to Domain-Name Trademark Infringement” (2011) 61 *Duke Law Journal* 212-250, at 222-25 (discussing the ease of the registration process on a first-come-first-served basis).

<sup>86</sup> For example the new gTLD application fee is \$185,000, plus an annual ICANN fee \$25,000. AGB at 1.5.1. Other costs including registry back end and consulting fees will vary widely depending on the applicant and use of the gTLD. New gTLD Site, “New gTLD Cost” (8 Aug 2011) available at <http://www.newgtldsite.com/new-gtld-Cost/> (accessed 21 May 2012).

<sup>87</sup> D Sorkin, “Judicial Review of ICANN Domain Name Dispute Decisions” (2001) 18 *Santa Clara Computer and High Technology Law Journal* 35-55, at 46. See also *Barcelona.com, Incorporated v Excelentísimo Ayuntamiento De Barcelona*, (2003) 330 F.3d 617 (US 4th Cir Ct App), at 626.

<sup>88</sup> D Prahl and E Null, “The New Generic Top-Level Domain Program: a New Era of Risk for Trademark Owners and the Internet” (2011) 101 *Trademark Reporter* 1757-1800, at 1772.

gTLD string. In this section I consider the role of the objection, the legal standard used, and the impact it may have on the overall availability of new gTLDs.

During the initial background screening, ICANN will check gTLD applications for string similarity.<sup>89</sup> The string similarity review will use an algorithm that is designed to help ICANN flag applications for removal that fail to meet minimum gTLD requirements.<sup>90</sup> For example, gTLDs that compromise DNS stability or use geographic names without proper authorisation will not move forward for further consideration.<sup>91</sup> Although the review may limit obvious problematic applications, background screening will not weed out all confusing potential gTLDs. For example, clever spellings or code words may escape the string similarity review. In anticipation of this shortcoming, ICANN has developed a system for interested parties to object to confusing applications based on their similarity to existing or applied for gTLDs.<sup>92</sup>

Standing to object to gTLDs that are confusingly similar is limited to current gTLD operators and applicants applying for a gTLD in the same round of applications.<sup>93</sup> A string confusion objection may be based on confusion between an applied-for gTLD and a currently operating gTLD.<sup>94</sup> If an existing gTLD operator is successful with their objection, the application will be rejected.<sup>95</sup> If, on the other hand, the complainant is another gTLD applicant, the application will be placed in a “contention set” and will be subject to procedures covered in Module 4 of the AGB.<sup>96</sup> If a new gTLD enters a contention set, the four possible outcomes are: (1) the withdrawal of the application, (2) contenders conduct private dispute resolution including mediation, (3) a determination based on community priority is made, or (4) an auction provides the name to the highest bidder.<sup>97</sup>

Both the procedural and substantive rules governing string confusion objections can be found in Module 3 of the AGB. In an attachment to Module 3, the AGB provides the procedure to be applied by dispute resolution service providers (“DRSPs”).<sup>98</sup> In the case of a string confusion objection, the International Centre for Dispute Resolution will adjudicate complaints.<sup>99</sup> Pursuant to Module 3 of the AGB, the grounds for a string confusion objection are where “[t]he applied-for gTLD string is confusingly similar to an existing gTLD or to another applied for gTLD string in the same round of applications.”<sup>100</sup> The standard for prevailing on a string confusion

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<sup>89</sup> AGB, at 3.4. See also Attachment to Module 3 new gTLD DRP (hereinafter “new gTLD DRP”) Art.2(e)(i).

<sup>90</sup> See ICANN, “String Similarity Assessment Tool” available at <http://icann.sword-group.com/algorithm/> (accessed Sept 2011).

<sup>91</sup> AGB, at 2.2.1.4-2.2.1.4.1.

<sup>92</sup> AGB, at 3.2.2.1.

<sup>93</sup> *Ibid.*

<sup>94</sup> AGB, at 3.2.1.

<sup>95</sup> AGB, at 3.

<sup>96</sup> AGB, at Module 4.

<sup>97</sup> *Ibid.*

<sup>98</sup> AGB, at new gTLD DRP, P1-P11.

<sup>99</sup> AGB, at 3.2.3.

<sup>100</sup> AGB, at 3.5.1 (emphasis added). See also ICANN GNSO, “Introduction of New Generic Top-Level Domains Final Report” (8 Aug 2007) available at <http://gns0.icann.org/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm> (accessed 25 May 2012), at Recommendation 3.

objection is where “a string so nearly resembles another that it is *likely* to deceive or *cause confusion*.”<sup>101</sup> The AGB further requires that it is “*probable*, not merely *possible* that confusion will arise in the mind of the average, reasonable Internet user.”<sup>102</sup>

Mere association with another string will not be sufficient to support a finding of string confusion by a dispute resolution service provider.<sup>103</sup> This is for two main reasons. First, the AGB requires that in addition to being “confusingly similar,” the confusion must be “likely.”<sup>104</sup> Second, the AGB provides an objective measure, “the reasonable Internet user,” to determine whether the likelihood of confusion is great enough that it is “probable” rather than simply “possible” that confusion will take place.<sup>105</sup> Likely confusion, in the eyes of “the reasonable Internet user” to an existing or applied for gTLD is sufficient for the objecting party to prevail.

The “confusingly similar” standard is widely applied in trademark law and domain name disputes. The US Anti-cybersquatting Consumer Protection Act creates a cause of action for “bad faith” registrations that are “confusingly similar” to a trademark.<sup>106</sup> The UDRP uses a similar standard and allows transfer of a domain name that is “identical or *confusingly similar* to a trademark or service mark....”<sup>107</sup> However, for a complainant to prevail under the UDRP; the objector must also show the registrant has no legitimate interest in the domain name and that the name is registered in “bad faith.”<sup>108</sup> The adoption of a simplified “confusion test” for evaluating domain names, particularly in the UDRP, has not been without criticism. As stated by one author:

This rule [the confusion test] is ‘borrowed’ and is in conformity with the language used in traditional trade mark law statutes; however, the way it is interpreted and applied departs significantly from the way it is used by courts and tribunals. A combination of lack of direction on behalf of ICANN—as the administrator of the Policy—and of the World Intellectual Property Organization (WIPO)—as the mastermind behind its inception and an accredited dispute resolution provider— have twisted the ‘confusion test’ to its core.<sup>109</sup>

Whether adoption of a similar test for evaluating new gTLD applications, and application of the test by the DRSP will result in similar inconsistencies or problems

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<sup>101</sup> AGB, at 3.5.1 (emphasis added).

<sup>102</sup> *Ibid* (emphasis added).

<sup>103</sup> AGB, at 3.5.1. See also AGB at. 2.2.1.1.2. See Schierman (2010), at 25.

<sup>104</sup> AGB, at 3.5.

<sup>105</sup> *Ibid*.

<sup>106</sup> 15 U.S.C. § 1125 (d)(1)(c)(2006). See *The Utah E-Commerce Integrity Act*, Utah Code Ann. § 13-40-101 (2010).

<sup>107</sup> UDRP Art. 4(a)(i). During UDRP proceedings it is considered whether: “(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.” ICANN, “Uniform Dispute Resolution Policy” (24 Oct 1999) available at <http://www.icann.org/en/dndr/udrp/policy.htm> (accessed 20 Sept 2011).

<sup>108</sup> *Ibid*; UDRP, at 4(a)(iii). See also UDRP at, 4(b)(i-iv).

<sup>109</sup> K Komaitis, “Trademark Law’s Increment through the Uniform Domain Name Dispute Resolution Policy” (2011) 6 *Oxford Intellectual Property Law and Practice*, 553-567, at 560.

is an important point for consideration.<sup>110</sup> This is particularly so if the standard is taken out of context or applied in an oversimplified manner.<sup>111</sup> In the US, infringement of a trademark is based on “whether trademark is such ‘as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive.’”<sup>112</sup> Thus, the “likelihood of confusion” standard also considers how a mark is used, not just its similarity to other marks, before finding a basis for infringement.<sup>113</sup> Some UDRP providers, following the US approach, have applied a similar test when determining whether a domain name is *confusingly similar* pursuant to UDRP Art. 4(a)(i).<sup>114</sup> In the current AGB, the legal standards are combined. The AGB standard blends the “likelihood of confusion” standard with the “confusingly similar” standard.<sup>115</sup> It is unclear whether the blending of the legal standards will have any effect on the procedural or substantive rights of the parties seeking dispute resolution.

The “confusingly similar” standard and the “likely to deceive or cause confusion” set forth in the AGB are not the same legal standard.<sup>116</sup> Lack of clarity regarding the standard to be applied could be a potential barrier to releasing new gTLDs.<sup>117</sup> Under a broad reading of “confusingly similar” it will be difficult for new gTLDs to overcome objections, even if the services or products they offer are different from those offered by the objecting TLD operator.<sup>118</sup> However, requiring that the confusion is likely should allow a greater window for obtaining new gTLDs.

The AGB provides some additional guidance for dispute resolution providers in determining names that are “likely to deceive or cause confusion.” By including an objective “average, reasonable Internet user” standard for determining “probable confusion,” ICANN has provided an avenue for DRSPs to avoid removing

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<sup>110</sup> *Ibid* (discussing the lengthy evaluation taken under US law for a finding of infringement based on confusion—an evaluation that considers the following factors: “(i) the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression; (ii) the similarity or dissimilarity and nature of the goods described in an application or registration or in connection with which a prior mark is in use; (iii) the similarity or dissimilarity of established, likely-to-continue trade-channels; (iv) the conditions under which and buyers under whom sales are made; (v) the fame of the prior mark; (vi) the number and nature of similar marks in use on similar products; (vii) the nature and extent of any actual confusion; (viii) the length of time during and the conditions under which there has been concurrent use without evidence of actual confusion; (ix) the variety of goods on which a mark is or is not used; (x) the market interface between the applicant and the owner of the prior mark; (xi) the extent to which the applicant has a right to exclude others from use of its mark on its goods; (xii) the extent of potential confusion; and (xiii) any other established fact probative of the effect of use”).

<sup>111</sup> *Ibid*.

<sup>112</sup> CH Farley, “Convergence and Incongruence: Trademark Law and ICANN’s Introduction of New Generic Top-Level Domains” (2009) 25 *John Marshall Journal of Computer & Information Law* 625-633, at 627.

<sup>113</sup> *Ibid*, 629.

<sup>114</sup> See *Interpace Corp v Lapp, Inc* (1983) 721 F.2d 460, 463 (US 3rd Cir. Ct. App.). See also *Northland Ins. Companies v. Blaylock*, (2000) 115 F. Supp. 2d 1108 (US D Ct Minn).

<sup>115</sup> CH Farley, “Convergence and Incongruence: Trademark Law and ICANN’s Introduction of New Generic Top-Level Domains” (2009) 25 *John Marshall Journal of Computer & Information Law* 625-633, at 627.

<sup>116</sup> *Ibid*.

<sup>117</sup> *Ibid*, 628.

<sup>118</sup> *Ibid*.

applications based solely on their similarity with existing gTLDs.<sup>119</sup> What an “average, reasonable Internet user” is, on an objective basis, is not abundantly clear. The Internet is accessible the world over, extremely international, and its users vary considerably. Effectively creating and applying a standard that objectively defines the “average, reasonable Internet user” is therefore challenging. Like other objective “reasonable person” standards, it may be difficult to assign characteristics that adequately define what is “reasonable” or expected of an Internet user.

It has been noted that during UDRP proceedings, a “significant minority of panels assume that the meaning of the phrase ‘confusingly similar’ is identical with the traditional, ‘likelihood of confusion’ analysis in trademark law.”<sup>120</sup> Although the confusingly similar standard applied in the UDRP considers misuse of trademarks and the present objection evaluates confusion between applied for and existing gTLDs, the experience of new gTLDs could very well be similar. That is to say, even if the underlying basis of objection diverges, the experience of the UDRP may be a strong predictor of the experience with new gTLDs. Like the UDRP, the AGB has also borrowed legal concepts and terms commonly found in trademark law. Even with the blending of legal standards in application of the UDRP, based on the limited studies available, parties have not regularly sought a *de novo* review in a court following the decision of a dispute resolution provider.<sup>121</sup> Notwithstanding the UDRP confusion test, SLDs have still been obtainable. It is therefore unlikely that the blending of legal standards in the AGB will stem the flow of available words or phrases suitable for new gTLDs.

If an existing gTLD operator is successful with their objection, the application for the confusingly similar gTLD will be denied. However, if the party objecting is another applicant for a new gTLD, both applications will “be placed in a contention set,” and will be subject to the contention set resolution procedure.<sup>122</sup> The situation where a party has the potential to make overlapping objections, based on their legal rights, could also occur.<sup>123</sup> In the context of trademarks, the legal rights objection considered in the next section may provide for an additional objection.

## 6. Legal rights objection

### 6.1 Introduction

Like previous rounds of gTLD expansion, not all groups with an interest in the Internet have welcomed the proposition of expanded offerings.<sup>124</sup> Advocates from the business community, trademark holders, and governments via the Governmental Advisory Committee (“GAC”) have voiced concerns regarding the potential negative

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<sup>119</sup> AGB, at 3.5.1.

<sup>120</sup> T Bettinger et al (eds), *Domain Name Law and Practice: An International Handbook* (Oxford: Oxford University Press, 2005), at 1030.

<sup>121</sup> D Sorkin, “Judicial Review of ICANN Domain Name Dispute Decisions” (2001) 18 *Santa Clara Computer and High Technology Law Journal* 35-55.

<sup>122</sup> AGB, at 3.2.2.1. See also AGB, at Module 4.

<sup>123</sup> See AGB, at 3.5.2.

<sup>124</sup> M Palage, “ICANN’s ‘Go/No-Go’ Decision Concerning New gTLDs” (2009) 16.3 *Progress & Freedom Foundation Progress on Point* (2009), at 1.

impact of new gTLDs.<sup>125</sup> Many trademark holders assume that the expansion of domain name offerings will equal a greater number of infringements.<sup>126</sup> After expending a great deal of resources to secure their domain names and online identities, trademark and brand owners are concerned that new gTLDs will bring with them new expenses including those involved tackling increased levels of cybersquatting.<sup>127</sup>

In the following section I consider the legal rights objection, which has been designed to protect legal rights prior to the issuance of a new gTLD. The boundaries of what should be considered a legal right are not entirely clear. Much of the discussion has been focused on traditionally protected groups, like trademark holders. However, Module 3 also will also consider objections for an “[intergovernmental organisation] name or acronym.”<sup>128</sup>

## 6.2 Input on Protecting Trademarks

Protecting the legal rights of trademark holders was a clear goal in creating a system for gTLD expansion. However, the policy objectives of trademark owners had to be considered in the context of other competing policy interests. Groups representing trademark holders were active in aspects of planning the dispute resolution procedures and Rights Protection Measures (“RPMs”).<sup>129</sup> The Implementation Recommendation Team (“IRT”), a group largely representing trademark interests, provided significant input and helped to design systems for protecting trademark holders on both a pre- and post-launch basis.<sup>130</sup> In addition to the information provided by the IRT, input from those not representing trademark interests was also considered. The Special Trademarks Issues Working Team (“STI”) evaluated the report created by the IRT and accepted many of the IRTs recommendations, with some alterations.<sup>131</sup> Although

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<sup>125</sup> The role of the GAC is to provide ICANN input from governments on issues of public policy and the potential impacts of ICANN’s policies on national laws or international agreements. GAC, “Governmental Advisory Committee” available at <https://gacweb.icann.org/display/gacweb/Governmental+Advisory+Committee> (accessed 24 May 2012). See GAC, “ICANN Board Notes on the GAC New gTLDs Scorecard” available at <http://archive.icann.org/en/topics/new-gtlds/board-notes-gac-scorecard-04mar11-en.pdf> (accessed 10 Mar 2011).

<sup>126</sup> D Prah and E Null, “The New Generic Top-Level Domain Program: a New Era of Risk for Trademark Owners and the Internet” (2011) 101 *Trademark Reporter* 1757-1800, at 1771 (stating that “[t]he new gTLD program will exacerbate infringement problems...”).

<sup>127</sup> M Palage, “ICANN’s Implementation Recommendation Team for New gTLDs: Safeguards Needed” (2009) Vol. 16 *Progress & Freedom Foundation Progress on Point Paper* No. 10., at 1. See also Y Zhao, *Dispute Resolution in Electronic Commerce*, (Leiden: Martinus Nijhoff, 2005), at 178.

<sup>128</sup> AGB, at 3.52.

<sup>129</sup> Implementation Recommendation Team (“IRT”), “Final Report” (2009) available at <http://archive.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf> (accessed 21 May 2011), 1-69, at 1 (stating “[t]he views of the IRT reflect the views of business and trademark interests in general”).

<sup>130</sup> *Ibid.* See also J Lipton and M Wong, “Trademarks and Freedom of Expression in ICANN’s New GTLD Process” (2012) available at <http://www.chicagoip.com/Lipton.pdf> (accessed 27 May 2011), 1-39, at 19.

<sup>131</sup> Special Trademarks Issues Working Team (“STI”), “Final Report” (2009) available at <http://www.icann.org/en/news/public-comment/sti-17dec09-en.htm> (accessed 21 May 2011), 1-47.

both sides had input in the drafting process, there was discontent with the result from both constituencies.<sup>132</sup>

In the present gTLD expansion, the protection of trademarks at both gTLD and SLD levels has been a central goal. At the gTLD level, infringement could occur if a new gTLD uses a trademarked word or phrase like <.coke>, resulting in an infringing gTLD. At the second-level, trademark owners are concerned that infringing SLD names will be registered under the new gTLDs. This would occur where a new gTLD was approved under the application process, but an infringing second-level domain name was subsequently awarded (i.e. <www.levis.free>).

Businesses have also argued that in addition to the increased policing of improper registrations, they will be required to undertake an unprecedented number of “defensive registrations” to protect their trademarks and online image.<sup>133</sup> Those opposed to the new gTLD programme argue that new gTLDs will bring with them significant operating costs, which will ultimately be carried by consumers.<sup>134</sup> In testimony before a US congressional committee, Mei-lan Stark, of Fox News Corporation, stated that as a result of the new gTLDs, protection of their brand might cost as much as “\$12 million in the initial stages alone.”<sup>135</sup> Even if the protections are effective, a position that is not universally accepted, they will be expensive to utilise.<sup>136</sup>

Potential expenses for protecting trademark holders are often difficult to ascertain. Although business representatives assert that the cost will be substantial, actual estimates vary widely. For example, one study projects the costs resulting from new cases of cybersquatting to trademark owners will be as low as \$.10 per trademark, per year, for trademarks registered on a worldwide basis.<sup>137</sup> ICANN’s studies on the economic impact of new gTLDs have thus far been inconclusive. In one such report, ICANN simply stated that “[n]one of the studies were able to specifically quantify projected net benefits, stating, among other things, that innovation was difficult or impossible to predict, as was the effectiveness of the many cost mitigation tools being implemented along with the program.”<sup>138</sup> This is, at least in part, due to the difficulty in determining how consumers will react to the expansion. The threat of new gTLDs

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<sup>132</sup> K McCarthy, “Trademark Lawyers to ICANN: Close, But No Cigar” (2011) available at <http://news.dot-nxt.com/2011/05/19/ip-lobby-close-no-cigar> (accessed 27 May 2011).

<sup>133</sup> ICANN, “Defensive Applications for New gTLDs” (2012) available at <http://www.icann.org/en/news/public-comment/new-gtlds-defensive-applications-06feb12-en.htm> (accessed 4 Jun 2012). See also Palage (2009).

<sup>134</sup> *Ibid.*

<sup>135</sup> E Pfanner, “An Explosion in Universe of Web Names” (2011) available at <http://www.nytimes.com/2011/06/20/technology/20iht-cache20.html?pAGBewanted=all> (accessed 20 Jun 2011).

<sup>136</sup> See Association of National Advertisers (“ANA”), “Major Assns. and Businesses Join with ANA to Form Coalition to Oppose ICANN’s TLD Expansion Program” (2011) available at <http://www.ana.net/content/show/id/22351> (accessed 11 Nov 2011).

<sup>137</sup> F Krueger and A Van Couvering, “Quantitative Analysis of Trademark Infringement and Cost to Trademark Holders in New gTLDs” (10 Feb 2010) available at <http://www.mindsandmachines.com/wp-content/uploads/M+M-Quantitative-Analysis-of-Cost-of-New-TLDs-to-Trademarks.pdf> (accessed 15 Aug 2011), at 1.

<sup>138</sup> ICANN, “New gTLD Program Explanatory Memorandum –Discussion Draft: Market & Economic Impacts” (15 Apr 2011) available at <http://icann.org/en/topics/new-gtlds/market-economic-impacts-15apr11-en.pdf> (accessed 15 May 2011).

to existing domain names largely depends on the success of new gTLDs. The prime gTLD space may well remain at <.com>.<sup>139</sup> If the new gTLDs are not used, any threat they pose to trademark holders will likely to be reduced.<sup>140</sup>

### 6.3 Applying the Legal Rights Objection

The AGB provides trademark holders and others with the ability to object to new gTLDs that may infringe their existing legal rights.<sup>141</sup> To establish standing under the objection, the objecting party must have a legal right that will be infringed by the new gTLD.<sup>142</sup> Trademark holders, for example, will have the opportunity to object to an applied for gTLD that infringes on their trademark.<sup>143</sup> The objecting party may be the holder of a registered or unregistered trademark, or a service mark.<sup>144</sup> If the objector is successful, the new gTLD will not be issued. Unlike the “string confusion objection,” the legal rights objection does not include contention set proceedings.

The Module 3 standard states that new gTLDs “must not infringe the existing legal rights of others that are recognised or enforceable under *generally accepted and internationally recognized* principles of law.”<sup>145</sup> In particular, the rules require that the applied for gTLD must not take unfair advantage of the “distinctive character” or “reputation of” the objector’s trademark or other legal rights.<sup>146</sup> If an objection is based on a trademark right, the DRSP must consider a list of non-exclusive factors in reaching its determination.<sup>147</sup> The Arbitration and Mediation Centre of the World Intellectual Property Organization (“WIPO”) will handle all legal rights objections.<sup>148</sup>

The factors the DRSP will consider include general indicators such as likeness in appearance, sound, or meaning to the objector’s mark.<sup>149</sup> In addition to more traditional characteristics associated with trademark infringement (i.e. use of the mark), a dispute resolution provider must also evaluate additional more subjective or abstract factors, including the intention of the applicant. For example, the dispute resolution provider may also consider “whether the applicant, at the time of application for the gTLD, had knowledge of the objector’s mark, or could not have reasonably been unaware of that mark....”<sup>150</sup> As the gTLD applicant will not have had

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<sup>139</sup> J Lipton, *Internet Domain Names, Trademarks and Free Speech* (Edward Elgar, 2010) 1-325, at 79 (arguing that based on past releases of new gTLDs, <.com> will likely remain the most sought after gTLD).

<sup>140</sup> *Ibid.*

<sup>141</sup> AGB, at 3.2.2.2.

<sup>142</sup> *Ibid.*

<sup>143</sup> *Ibid.* IGOs and specialised agencies including the UN may also meet the criteria.

<sup>144</sup> *Ibid.*

<sup>145</sup> AGB, at 3.52 (emphasis added).

<sup>146</sup> *Ibid.*

<sup>147</sup> AGB, at 3.52.

<sup>148</sup> AGB, at 3.1.3. During dispute resolution proceedings, the WIPO Rules for New gTLD dispute resolution are applicable. See New gTLD DRP Art.2(e)(ii); WIPO, “Legal Rights Objections under ICANN’s New gTLD Program” available at <http://www.wipo.int/amc/en/domains/lro/#1a> (accessed 21 May 2012). See also WIPO, “Schedule of Fees and Costs” (11 Jan 2012) available at <http://newgtlds.icann.org/en/applicants/agb/wipo-fees-11jan12-en.pdf> (accessed 4 Jun 2012).

<sup>149</sup> AGB, at 3.52(1).

<sup>150</sup> *Ibid.*, at 3.52. (4).

the opportunity to use the gTLD in commerce prior to the evaluation, factors indicating intent may be of increased importance. The DRSP will also consider whether use of the proposed gTLDs “would create a *likelihood of confusion* with the objector’s mark.”<sup>151</sup> Additional factors such as the applicant’s interest in the name and preparations made to use the gTLD, if granted, will also be taken into account.<sup>152</sup> Additionally, any IP rights which correspond to the applied for gTLD will also be assessed.<sup>153</sup>

Drafting protections for trademark owners and other right holders was a contentious aspect in creating new gTLDs. Trademark owners criticised the rights protection measures as being inadequate.<sup>154</sup> Many outside the trademark lobby argued that the legal rights objection is overly-broad and provides greater protection to rights holders, particularly trademark holders, than exists in the offline world.<sup>155</sup> Criticising an earlier draft of the AGB, one author provided: “under this rule, the Cherokee Nation would be unable to use Cherokee as a gTLD because some automobile company is said to have prior rights under this policy.”<sup>156</sup>

Although trademark holders received much of what they requested in the form of protection, they did not get everything they wanted. The process maintains room for legal rights holders to successfully obtain new gTLDs, despite the potential for broad objections. For example, if an association of heavy equipment manufacturers were seeking a new gTLD like <.diesel>, it would not necessarily be disqualified as a result of the trademarked use of the word “diesel” by Diesel S.p.A, a clothing and fashion company.<sup>157</sup> Use of the word “diesel” in a gTLD would arguably infringe on the existing legal rights of Diesel S.p.A. However, when considering the non-exclusive factors in the AGB, a DRSP would have to consider whether the gTLD <.diesel> would create “a likelihood of confusion” with the Diesel S.p.A.’s trademark.<sup>158</sup> Based on the required factors, it is unlikely that consumers visiting the website would confuse high fashion jeans and shoes with heavy trucks or other types of construction equipment. However, if the construction company began selling construction clothing, Diesel S.p.A, would have a better argument. If the hypothetical gTLD <.diesel> was granted and then began selling second level domain names in a manner inconsistent with its application, such as <[www.jeans.DIESEL](http://www.jeans.DIESEL)>, the trademark owner would have the opportunity to seek relief under the other Rights Protection Measures (RPMs)

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<sup>151</sup> *Ibid*, at 3.52.(6) (emphasis added). See also AGB, 2.4; K Komaitis, “Trademark Law’s Increment through the Uniform Domain Name Dispute Resolution Policy” (2011) 6 *Oxford Intellectual Property Law and Practice*, 553-567, at 560.

<sup>152</sup> AGB, at 3.52. (5).

<sup>153</sup> *Ibid*, at 3.52 (5-6).

<sup>154</sup> See e.g. J Lipton and M Wong, “Trademarks and Freedom of Expression in ICANN’s New GTLD Process” (2012) available at <http://www.chicagoip.com/Lipton.pdf> (accessed 2 August 2012), 1-39, at 23.

<sup>155</sup> K Komaitis, *The Current State of Domain Name Regulation: Domain Names As Second Class Citizens In A Mark-Dominated World*, (Abingdon: Routledge, 2010), at 49.

<sup>156</sup> CH Farley, “Convergence and Incongruence: Trademark Law and ICANN’s Introduction of New Generic Top-Level Domains” (2009) 25 *John Marshall Journal of Computer & Information Law* 625-633, at 630.

<sup>157</sup> Wikipedia, “Diesel (brand)” available at [http://en.wikipedia.org/wiki/Diesel\\_\(brand\)](http://en.wikipedia.org/wiki/Diesel_(brand)) (accessed 27 May 2011).

<sup>158</sup> AGB, at 3.52(6).

provided for in the AGB. Specifically, the Post Delegation Dispute Resolution Procedure (PDDRP) would be pertinent.<sup>159</sup>

It has been argued that confusion occurring with new gTLDs will be less problematic than it has been under the popular gTLD <.com>. Assuming the application would be approved; typosquatting with gTLDs like <.nkie> or a <.macdonalds> would be less attractive as the misspellings are less likely to be inadvertently visited by consumers.<sup>160</sup> Considering the cost of a new gTLD, the prospect of this practice becomes even more unlikely. Even at the second level domain space, typosquatting is unlikely to be as effective, unless the name is widely used.

The “existing legal rights objection,” on its face, is a strong protection, particularly for trademark holders. The policy, if applied broadly, could significantly curtail options available to applicants. This begs the question of whether owners of trademark rights are being provided with a monopoly on language in the expansion of the Internet or whether a more balanced approach could have been taken.

As a DRSP under the UDRP system, the WIPO dispute resolution panel has handled a high number of cases.<sup>161</sup> The WIPO track record also shows that panellists have decided for complainants in a high proportion of cases.<sup>162</sup> In one period, cases before a sole WIPO panellist were in favour of the complaining party 83% of the time.<sup>163</sup> However, the complaint success rate was much lower at 58% when a three-member panel was used.<sup>164</sup> The high rate of wins for complainants is not, in and of itself, indicative of bias.<sup>165</sup> However, several factors, including the large amount of panellists also acting as practising trademark lawyers, actively representing right holders, has raised some question of systemic bias.<sup>166</sup> The role of WIPO as a DRSP for the Module 3 legal rights objection has raised some concerns that trademark owners will receive more favourable treatment. Unlike the UDRP process which allows for a choice of DRSPs, WIPO is the only DRSP available.

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<sup>159</sup> AGB, at “Trademark Post-Delegation Dispute Resolution Procedure (Trademark PDDRP)”.

<sup>160</sup> J Lipton, *Internet Domain Names, Trademarks and Free Speech* (Edward Elgar, 2010) 1-325, at 263; C Clark, “The Truth in Domain Names Act of 2003 and a Preventative Measure to Combat Typosquatting” (2004) 89 *Cornell Law Review* 1476-1518, at 1476.

<sup>161</sup> M Mueller, “Rough Justice, An Analysis of ICANN’s Uniform Dispute Resolution Policy” available at <http://dcc.syr.edu/PDF/roughjustice.pdf> (accessed 23 Sept 2011). See also N Branthover, “UDRP-A Success Story: A Rebuttal to the Analysis and Conclusions of Professor Milton Mueller in Rough Justice” (6 May 2002) available at <http://www.inta.org/Advocacy/Documents/INTAUDRPSuccesscontraMueller.pdf>.

<sup>162</sup> G Kaufmann-Kohler and T Schultz, *Online Dispute Resolution: Challenges for Contemporary Justice* (Kluwer Law International 2004), at 193.

<sup>163</sup> *Ibid.*

<sup>164</sup> M Geist, “Fair.com?: An Examination of the Allegations of Systemic Unfairness in the ICANN UDRP” (2001) available at <http://ssrn.com/abstract=280630> (accessed 27 May 2011). See also S Bechtold, “Governance in Namespaces” (2003) 36 *Loyola of Los Angeles Law Review* 1239-1320, at 1261.

<sup>165</sup> Y Zhao, *Dispute Resolution in Electronic Commerce*, (Leiden: Martinus Nijhoff, 2005), at 178.

<sup>166</sup> G Kaufmann-Kohler and T Schultz, *Online Dispute Resolution: Challenges for Contemporary Justice* (Kluwer Law International 2004), at 193.

## 7. GAC Advice on New gTLDs

After the dispute resolution procedures in the AGB were substantially complete, ICANN added a new avenue for governments, through the Governmental Advisory Committee (“GAC”), to oppose or provide “advice” on new gTLD applications.<sup>167</sup> The GAC advice procedure allows governments to address applications they identify “to be problematic.”<sup>168</sup> The GAC procedure was added following an on-going debate between members of the GAC and the ICANN board regarding the role of governments in the new gTLD process.<sup>169</sup> Although not included in early AGB drafts, the procedure was likely an important step in procuring final approval of the AGB.<sup>170</sup> In the following section, I evaluate the GAC advice procedure. Background information on the GAC and its role in the AGB processes is also presented.

The GAC’s central responsibility is to provide advice to ICANN on issues where ICANN’s programmes have an impact on “national laws or international agreements.”<sup>171</sup> The GAC has played an increasingly important role in gTLD policy since 2002.<sup>172</sup> For example, in conjunction with the US government and other groups, the GAC was central in blocking the <.xxx> domain name after its initial ICANN approval in 2005.<sup>173</sup> Regarding the new gTLD programme, the GAC has requested considerable authority in determining acceptable or allowable domain names.<sup>174</sup>

In the AGB drafting process, the GAC received support for its request for a greater or expanded role regarding the protection of trademarks, violation of national laws, and the use of sensitive gTLDs. For example, the USG suggested that the drafters remove the *Limited Public Interest Objection* and provide for a GAC review in its place. In a letter to ICANN, the US government argued that allowing a private expert to make determinations of morality and legal norms was “contrary to the sovereign right of

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<sup>167</sup> AGB, at 3.1.

<sup>168</sup> *Ibid.*

<sup>169</sup> For documents including scorecards: <http://gac.icann.org/> (accessed 18 May 2011). See also ICANN Board of Directors / GAC Joint Working Group (“JWG”), “Review of the Role of the GAC” (2011) available at <http://www.icann.org/en/committees/board-gac-2009/board-gac-jwg-final-report-19jun11-en.pdf> (accessed 27 Sept 2011); GAC, “GAC Principles Regarding New gTLDs” (28 Mar 2007) available at <http://www.icann.org/en/topics/new-gtlds/gac-principles-regarding-new-gtlds-28mar07-en.pdf> (accessed 27 May 2011), at 1-4.

<sup>170</sup> K Papac, “ICANN Successfully Tiptoes through Political Minefield with New TLD Applicant Guidebook” (12 May 2011) available at [http://www.circlebid.com/posts/20110512\\_icann\\_tiptoes\\_through\\_political\\_minefield\\_new\\_tlds/](http://www.circlebid.com/posts/20110512_icann_tiptoes_through_political_minefield_new_tlds/) (accessed 10 Nov 2011).

<sup>171</sup> GAC, “About the GAC” available at <https://gacweb.icann.org/display/gacweb/About+The+GAC>, (accessed 5 Jun 2012).

<sup>172</sup> J Weinberg, “Governments, Privatization and ‘Privatization’: ICANN and the GAC” (2011) 18 *Michigan Telecommunications and Technology Law Review* 189-218, at 200-202.

<sup>173</sup> *Ibid.*

<sup>174</sup> *Ibid* (citing GAC, “Principles Regarding New gTLDs” (28 Mar 2007) available at <http://archive.icann.org/en/topics/new-gtlds/gac-principles-regarding-new-gtlds-28mar07-en.pdf> (accessed 14 May 2011), at §§ 2.1, 2.2, 2.7) (discussing a GAC request for a procedure for blocking new domain names, at no cost, which would be “on demand for governments.”).

governments to interpret and apply principles of international law on a country-by-country basis.”<sup>175</sup>

Following discussion with the GAC, the Module 3 device or objection mechanism was adopted. The purpose of the GAC advice procedure is to allow governments to object to new gTLDs “that potentially violate national law *or* raise sensitivities.”<sup>176</sup> From a procedural point of view, the GAC advice period functions much like the other objections or challenges provided in Module 3. Any advice presented by the GAC to ICANN must take place within the objection filing time period.<sup>177</sup> If the GAC objects to a gTLD, the applicant will have twenty-one days to respond to ICANN after it receives notice of the objection.<sup>178</sup> A major procedural difference compared to other objections is how the complaint will be administered. Unlike other objections in this section, a private DRSP will not consider GAC objections.<sup>179</sup> Rather, the ICANN board will play the role of DRSP.<sup>180</sup> The ICANN board has the option to consult with independent experts, but such consultation is not required.<sup>181</sup>

From a substantive point of view, the new procedure provides very little guidance as to its application. What constitutes “national law” is not defined in the GAC advice procedure. As the scope is not limited, it may also cover violations of national trademark laws. Weight or deference given to the GAC advice will take different forms, depending on whether there is “consensus” advice from the GAC stating that an application should not proceed.<sup>182</sup> In the current AGB, what constitutes GAC “consensus” remains undefined.<sup>183</sup> The policy provides that “[t]he GAC as a whole will consider concerns raised by GAC members, and agree on GAC advice to forward to the ICANN Board of Directors.”<sup>184</sup> If the GAC advises ICANN that a given application should not proceed, it will create “a strong presumption for ICANN that the application should not be approved...”<sup>185</sup> However, the presumption is not irrefutable.<sup>186</sup> If there is no “consensus” that an application should not proceed, but “concerns” about an application, the “ICANN Board is expected to enter into dialogue with the GAC to understand the scope of concerns.”<sup>187</sup> The concern by the governments will be taken seriously; however, no presumption will be formed.<sup>188</sup> In the case of GAC concerns regarding an application, ICANN is expected to provide a

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<sup>175</sup> USG, “Submission to the GAC Scorecard re New gTLDs” (31 Jan 2011) available at <http://kierenmccarthy.com/2011/01/31/usg-submission-to-the-gac-scorecard-re-new-gtlds/>. See also M Mueller, “The US Commerce Dept Position Paper for the ICANN Board Negotiations” (2011) available at [http://blog.internetgovernance.org/blog/\\_archives/2011/1/29/4737705.html](http://blog.internetgovernance.org/blog/_archives/2011/1/29/4737705.html) (accessed 6 Jun 2012).

<sup>176</sup> AGB, at 3.1.

<sup>177</sup> *Ibid.*

<sup>178</sup> AGB, at 3.1.

<sup>179</sup> *Ibid.*

<sup>180</sup> *Ibid.*

<sup>181</sup> AGB, at 3.1.

<sup>182</sup> AGB, at 3.1.

<sup>183</sup> *Ibid.*

<sup>184</sup> *Ibid.*

<sup>185</sup> *Ibid.* at 3.1.(III).

<sup>186</sup> *Ibid.*

<sup>187</sup> AGB, at 3.1(II).

<sup>188</sup> *Ibid.*

rational for its decision.<sup>189</sup> Applicants will have an opportunity to address the GAC advice by filing a response in the same manner as an applicant would respond to a formal objection.<sup>190</sup>

The GAC may also advise ICANN that an application should not proceed unless remediated.<sup>191</sup> It is unclear what sort of agreement must be reached by the GAC members before they may “advise” remediation.<sup>192</sup> In any event, if remediation is advised, a strong presumption that remediation is necessary will arise before the application is accepted.<sup>193</sup> Remediation may include securing approval “of one or more governments” for the use of the gTLD.<sup>194</sup> If no clear method for remediation exists, such as securing government approval for use of the name of a capital city, it is unlikely that the application will be able to proceed.<sup>195</sup> The effect of GAC suggested remediation could become a difficult barrier to overcome for gTLD applicants.

The GAC objection has been criticised as being vague and providing one group with too much influence in the gTLD process. Critics maintain that providing governments with too much power, via a government veto or other procedural mechanism, could have negative consequences for open discourse and freedom on the Internet. For one, it could also lead to much broader censorship on the Internet. As stated by Milton Mueller, “[t]he ICANN process has spent years trying to ensure that only applications that involve words contrary to general principles of international law will be vetoed.”<sup>196</sup> In Mueller’s post discussing the GAC veto, he uses the example of the potential domain name <.gay> as a gTLD that is important to a community, but may be vulnerable under the new objection.<sup>197</sup> Mueller maintains that based on conversations with conservative governments within the GAC; there is objection to a <.gay> domain name.<sup>198</sup> Under the proposed GAC objection, does the domain name <.gay> potentially “raise sensitivities” to an extent that it may be blocked? The disjunctive use of “or” indicates that the domain name does not have to be in violation of national law in a jurisdiction, but must only be “sensitive.” What constitutes sensitive information is unclear.<sup>199</sup>

Although gTLDs like <.jesus> or <.mohammed> may be likely candidates for raising sensitivities, it is unclear whether they could be blocked under this objection. Will there emerge a system where votes for trademark protection are traded for votes to block sensitive names? Although the GAC advice procedure may have been a

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<sup>189</sup> *Ibid.*

<sup>190</sup> AGB, at 3.1.

<sup>191</sup> *Ibid.*

<sup>192</sup> *Ibid.*

<sup>193</sup> AGB, at 3.1(III).

<sup>194</sup> *Ibid.*

<sup>195</sup> *Ibid.*

<sup>196</sup> M Mueller, “The US Commerce Dept Position Paper for the ICANN Board Negotiations” (2011) available at [http://blog.internetgovernance.org/blog/\\_archives/2011/1/29/4737705.html](http://blog.internetgovernance.org/blog/_archives/2011/1/29/4737705.html) (accessed 6 Jun 2012).

<sup>197</sup> *Ibid.*

<sup>198</sup> *Ibid.*

<sup>199</sup> ICANN, “New gTLD Program Explanatory Memorandum—GAC and Government Objections; Handling of Sensitive Strings; Early Warning” (15 Apr. 2011) available at <http://www.icann.org/en/topics/new-gtlds/gac-objections-sensitive-strings-15apr11-en.pdf> (accessed 5 Jun 2012).

politically necessary step for the adoption of the AGB, it has also raised concerns regarding the freedom of speech associated with new gTLDs.<sup>200</sup> Allowing the advice procedure to be applied broadly could have an effect on the gTLDs available. In addition to <.gay>, will names like <.wine> or <.beer> be limited by the more conservative members of the constituency?

The counter argument to complaints about the breadth of the new GAC objection is that the policy also contains checks and balances. If consensus is not reached, the presumption will not apply. It is unlikely that a handful of conservative countries with strict religious codes or blasphemy laws will have the ability to block a significant number of new gTLDs. Even if an application is objected to, with GAC consensus, the ICANN board will have the opportunity to accept or reject the advice.<sup>201</sup> As a result, ICANN will remain in a position to rebut a presumption based on GAC advice.

## 8. Conclusion

Despite improvements in the expansion process from earlier rounds, there are issues with the dispute resolution procedure in Module 3 that will make it difficult for new gTLD applicants to succeed. Unlike earlier expansions, it will no longer be possible to deny applications based on whether the proposed gTLD is easily pronounced by members of the ICANN board. However, broad application of the objections in Module 3, particularly, the legal rights objection, have the potential to limit new gTLDs. In addition to the vast number of existing trademarks, there are many other interests that may qualify as “legal rights” under the objection. If WIPO, as the DRSP, errs overwhelmingly on the side of protecting rights holders, there are very few gTLDs outside of the “dot brand” (i.e. <.coke>) applicants that will make it to launch. If the only gTLDs able to survive Module 3 are the 2012 equivalent of <.museum>, the goals of creating competition in the domain name system will not be reached.

The GAC advice objection, added very late in the game, may also limit the success of the programme. Although including governments and protecting national laws are important goals, providing such a powerful and loosely defined objection at the eleventh hour may prove to be problematic. If the GAC advice objection is broadly applied, or allows conservative governments to widely limit the availability of new gTLDs, the programme may become less inclusive than was intended by ICANN and the majority of its stakeholders.

The current gTLD expansion has been a long time coming. In the months leading up to approval, there were many last minute attempts to rewrite and even derail the programme. Opponents of gTLD expansion maintained that the programme was rushed and failed to take into consideration the interests of all relevant stakeholders. Misinformation about the scope of the programme was also prevalent. Based on some accounts, new gTLDs would be made easily available and would be destructive to the

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<sup>200</sup> J Lipton and M Wong, “Trademarks and Freedom of Expression in ICANN’s New GTLD Process” (2012) available at <http://www.chicagoip.com/Lipton.pdf> (accessed 27 May 2011), 1-39, at 23-24 (citing statements made by USG officials on the GAG advice system, available at <http://www.ntia.doc.gov/speechtestimony/2011/testimony-associate-administrator-alexander-icann-s-top-level-domain-name-progr> (accessed 5 Jun 2012)).

<sup>201</sup> AGB, at 3.1.

security and stability of the Internet. The reality of the new gTLD programme is very different. The programme took years of planning, meetings with governments, and over a thousand comments before the AGB was finally approved. As the programme stands, obtaining a new gTLD will not be an easy task.