

ICANN New Top-Level Domains

New TLDs To Be Delegated After Beijing Meeting

Where Does This Leave Rights Holders?

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- Sarah manages Verizon's intellectual property group and is responsible for copyright, trademarks and patent licensing matters.
- Sarah has represented Verizon on a host of domestic and international Internet issues ranging from Internet governance, domain name issues and ICANN, to digital copyright issues, cybercrime and international copyright issues.
- Sarah was one of five negotiators for the U.S. telecommunications industry who negotiated service provider provisions that resulted in the passage of the Digital Millennium Copyright Act. She was also actively involved with Congress in the passage of the Anti-Cybersquatting Act and the process that led to the creation of the UDRP.

BILL SMITH, PAYPAL, INC.



- Bill Smith has over 30 years experience ranging from individual contributor as a software developer to executive at several companies.
- Bill represents PayPal at ICANN, the IGF, ARIN, WSIS, the ITU, and the IETF. He helps establish and present PayPal's position at these and other Internet Governance fora bridging the gaps between technology, policy, and business.
- Prior to joining PayPal, Bill was Sr. Director Business Strategy, Office of the CTO, Sun Microsystems where he helped establish and execute the company's international standards strategy.
- Bill holds a bachelor's and master's degree in Computer Science, both from Brown University.

AMY MUSHAHWAR, BALLARD SPAHR LLP



- Amy is a data privacy and security attorney with more than 15 years' experience in the technology industry in both legal and engineering capacities.
- Amy defends companies in privacy litigation, breach of security litigation, and advises on regulatory issues involving e-commerce, including social networking sites, the use of mobile platforms in banking transactions, and PCI compliance for payment cards.
- Amy participates in public policy discussions concerning privacy, data security and Internet domain names before the US House of Representatives and Senate, the Executive Branch, the Federal Trade Commission and the Department of Commerce, as well as the International Corporation for Assigned Names and Numbers (ICANN).

BACKGROUND

TOP LEVEL DOMAIN (TLD) PROGRAM

- In an Internet address, the top level domain (TLD) can be found to the right of the dot.
 - In `www.example.com`, “.com” would be the TLD.
 - There are currently 22 gTLDs in existence (not including country code TLDs).
 - Each TLD is managed by an Internet registry.
- Second level domains (SLDs) are the words that appear to the left of the dot.
 - In `www.example.com`, “example” is the SLD.
 - There are millions of second level domains.
 - Each SLD is registered by an Internet registrar.

NEW ICANN PROGRAM = .anything

- 300-500 new TLDs were expected by 2013 when Dan Jaffe testified before Congress last year.
- Now, we have 1,900 new TLD applications for 1,400 unique strings with ICANN expecting that most will be delegated to the Internet root.
- That's a 6300% increase in new TLDs!



ICANN OPERATES UNDER AN AFFIRMATION OF COMMITMENTS” WITH THE DOC

- The following sections of the Affirmation create clear public policy responsibilities for ICANN:
 - Section 3(c) requires ICANN to promote consumer trust in the Domain Name System.
 - Section 8(c) requires ICANN to act in the public interest and for the public benefit.
 - Section 9.2 requires ICANN to preserve security, stability and resiliency of the DNS.

RAMPANT FRAUD EXISTS IN THE CURRENT DOMAIN ECOSYSTEM

- As you are well aware, there is rampant fraud in the current Internet ecosystem, including:
 - Online predators
 - Rogue pharmacies (at least a \$100B industry)
 - Spam and phishing
 - Domain Name Sales Fraud (at least a \$500M industry)
 - Click Fraud
 - Donation/Business/Lottery Scams
 - and the list goes on....

ROGUE WEBSITES GROW BY 600% IN THE CURRENT ENVIRONMENT!

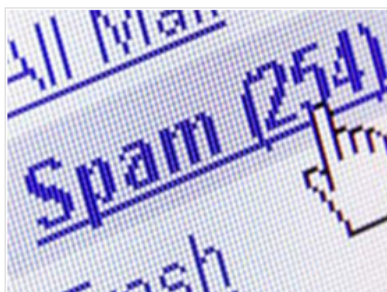
Rogue websites grow by 600%

The findings come from a global cyberattack trend report by web security company, Websense

Iron Mountain Escrow

The leader in technology escrow. Trusted third party escrow service. www.ironmountain.com/Escrow

Ads by Google



Feedback

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Four out of five e-mails received are spam, quarter of a million spam e-mails are sent out per hour, 85% of legitimate website have malicious attackers tailing them.

The number of malicious websites is growing at an alarming pace of 600%. These are the findings of a global cyberattack trend report by web security company, Websense.

"Each week, organisations faced an average of 1,719 attacks for every 1,000 users," Websense said in its 2013 threat report.

It also takes only 60 seconds for a web connected malware, a short form of malicious software to download additional executables. Links to malicious software are found on the internet in the form of shortened URLs.

"Once cybercriminals gain access to a host, they typically hide their own malicious pages deep in the directory tree. This process generates very

A SUDDEN, VAST INCREASE IN NEW TLDS, WILL FEED THE INCREASE IN OPPORTUNITIES FOR FRAUD

- Presently, fraud is difficult to contain on the present 22 TLD environment.
- Based on best estimates, the number of TLDs will increase from 22 to over 1000 -1400, just in the first year of the Program.
- The opportunities for criminal activity, deceptive practices, identity theft, privacy breaches will similarly increase.
- No one will be able adequately to monitor all these new TLDs, the SLDs they will spawn, and the limitless opportunities for unlawful behavior they will create, let alone enforce the law, or the enhanced security measures ICANN intends to require.

CONCERNS EXIST ABOUT SOME LARGE-SCALE APPLICANTS

The Washington Post

Donuts Inc.'s major play for new Web domain names raises fears of fraud



Illustration by JESS3 - An illustration of existing and future domain names.

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By Craig Timberg and James Ball, Published: September 24

A historic land rush is underway for vast new swaths of the Internet: Amazon has bid for control of all the Web addresses that end with “.book.” Google wants “.buy.” Allstate wants “.carinsurance.”

CURRENT NAMING CONVENTIONS WILL CAUSE CONFUSION, AGAIN FEEDING FRAUD

- ICANN experts were supposed to scour the 1900 new TLD strings and determine which would be confusingly similar.
- They found just 2 “non-exact match contention sets” (unicom and unicorn; hoteis and hotels).
- ICANN didn’t even consider the many singular / plural combinations:

ACCOUNTANT ACCOUNTANTS

AUTO AUTOS

CAR CARS

CAREER CAREERS

COUPON COUPONS

CRUISE CRUISES

DEAL DEALS

FAN FANS

GAME GAMES

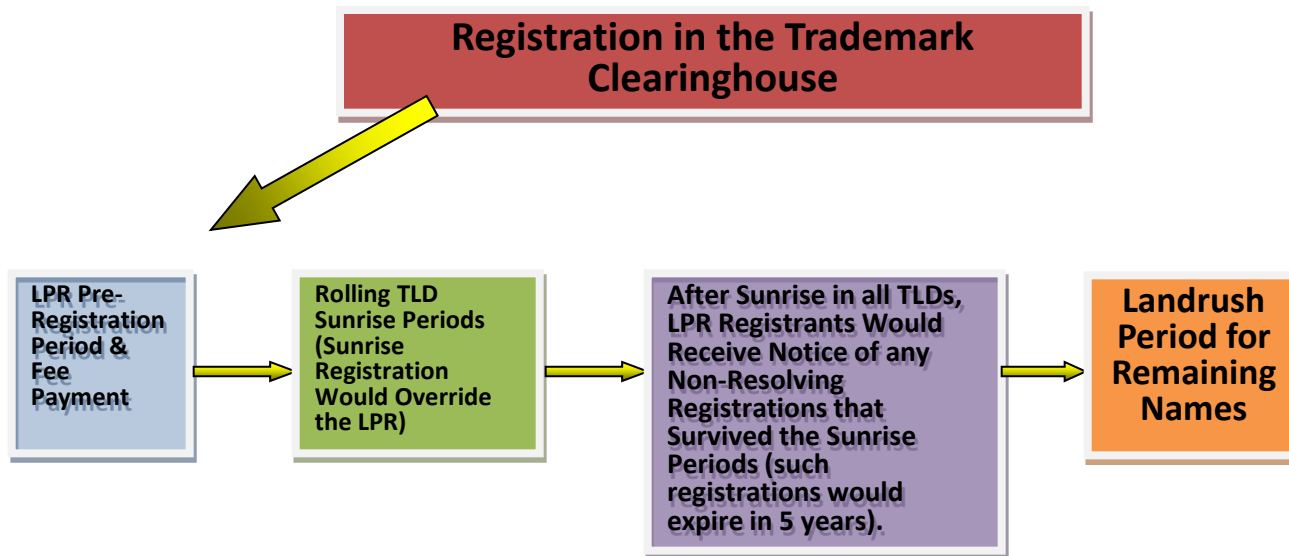
GIFT GIFTS

HOME HOMES

HOTEL HOTELS

- To name a few....

WHAT WE WANT: THE LIMITED PREVENTATIVE REGISTRATION

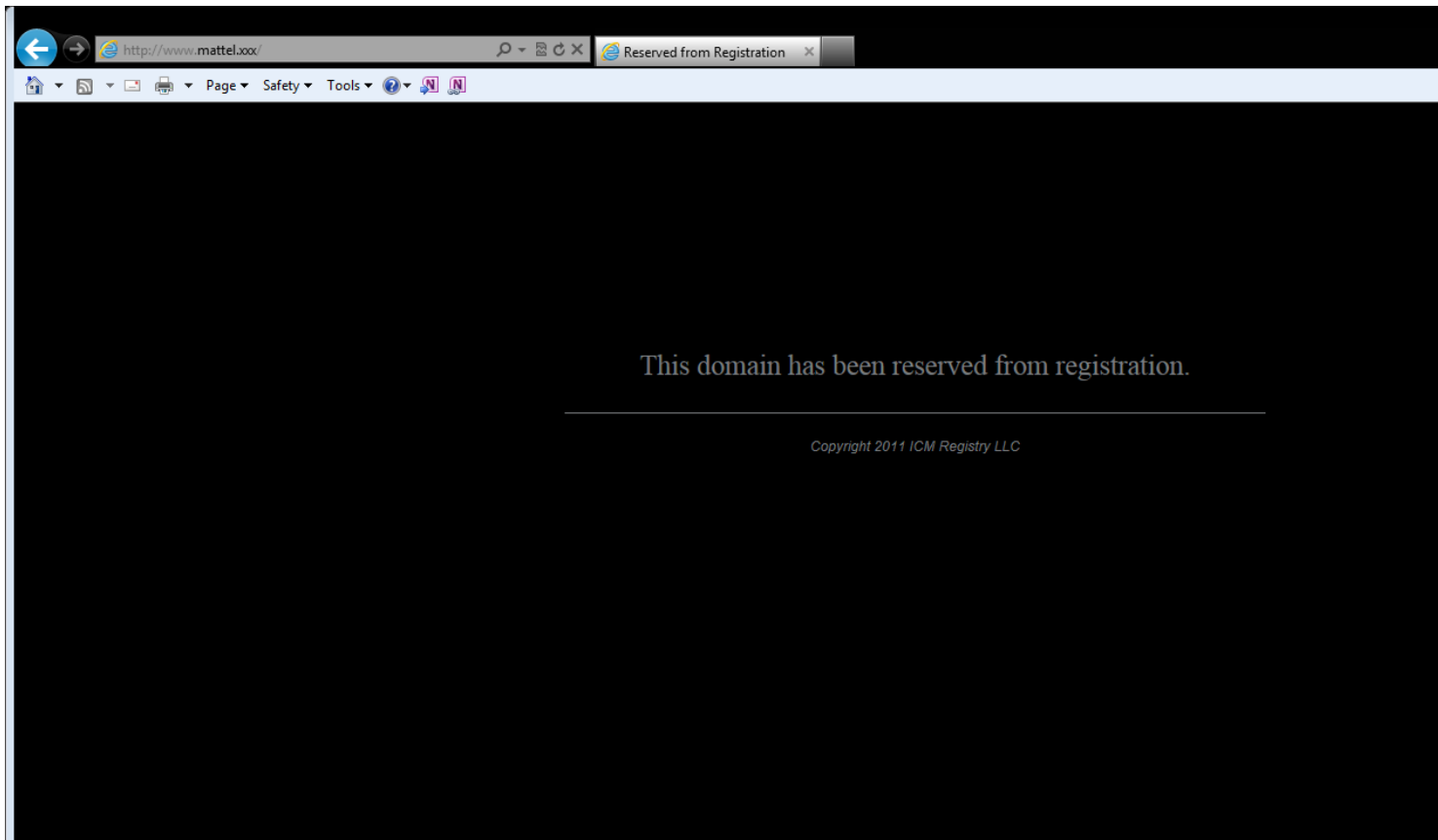


This would provide a “one-stop shop” for a non-resolving registration across all TLDs after the sunrise period. ICANN opened the TMCH beta and said nothing about the LPR. We hold out no hopes that ICANN will implement this.

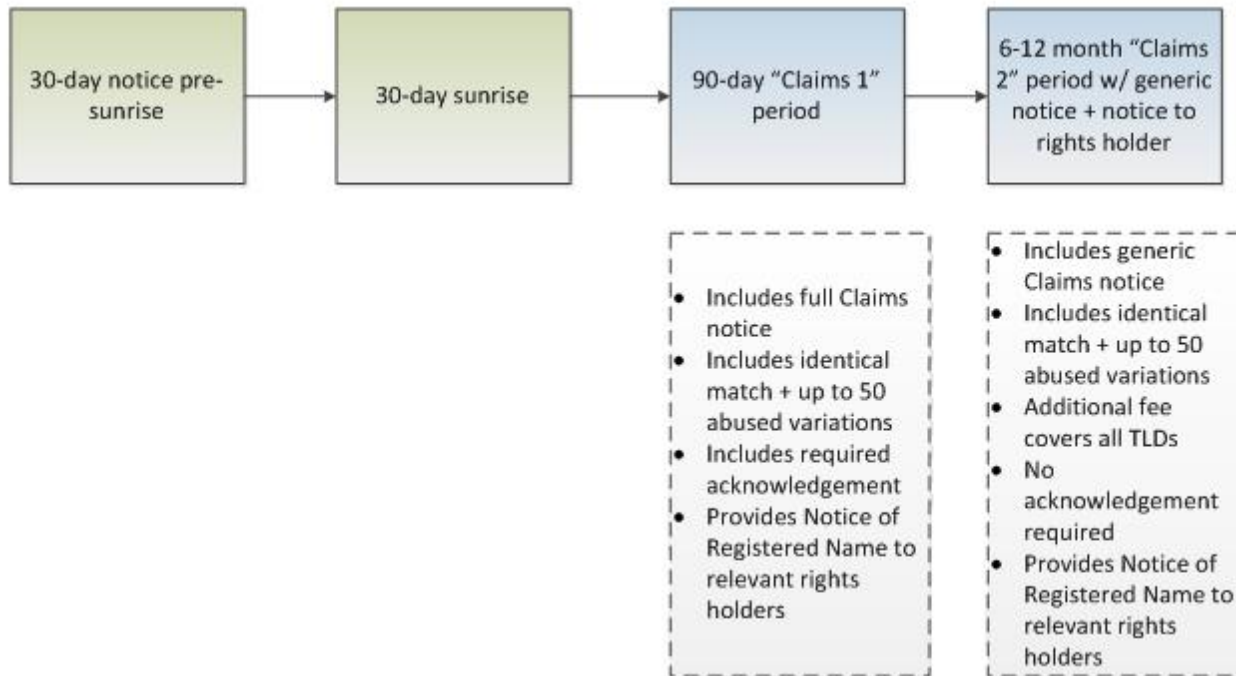
HOW THE LPR WOULD WORK

- Consider the Delta Airlines and Delta Faucets trademarks.
- For the LPR: pre-registration by Delta Airlines would lodge a request for a non-resolving registration across all TLDs.
- In Sunrise: Delta Faucets could still register delta.home, delta.shopping and other names in which it has a legitimate trademark right.
- The LPR would then add non-resolving pages to all TLDs selected by the LPR registrant that are not otherwise taken.

NON-RESOLVING PAGE?



WHAT IS MARGINALLY ON THE NEGOTIATION TABLE: THE STRAWMAN SOLUTION



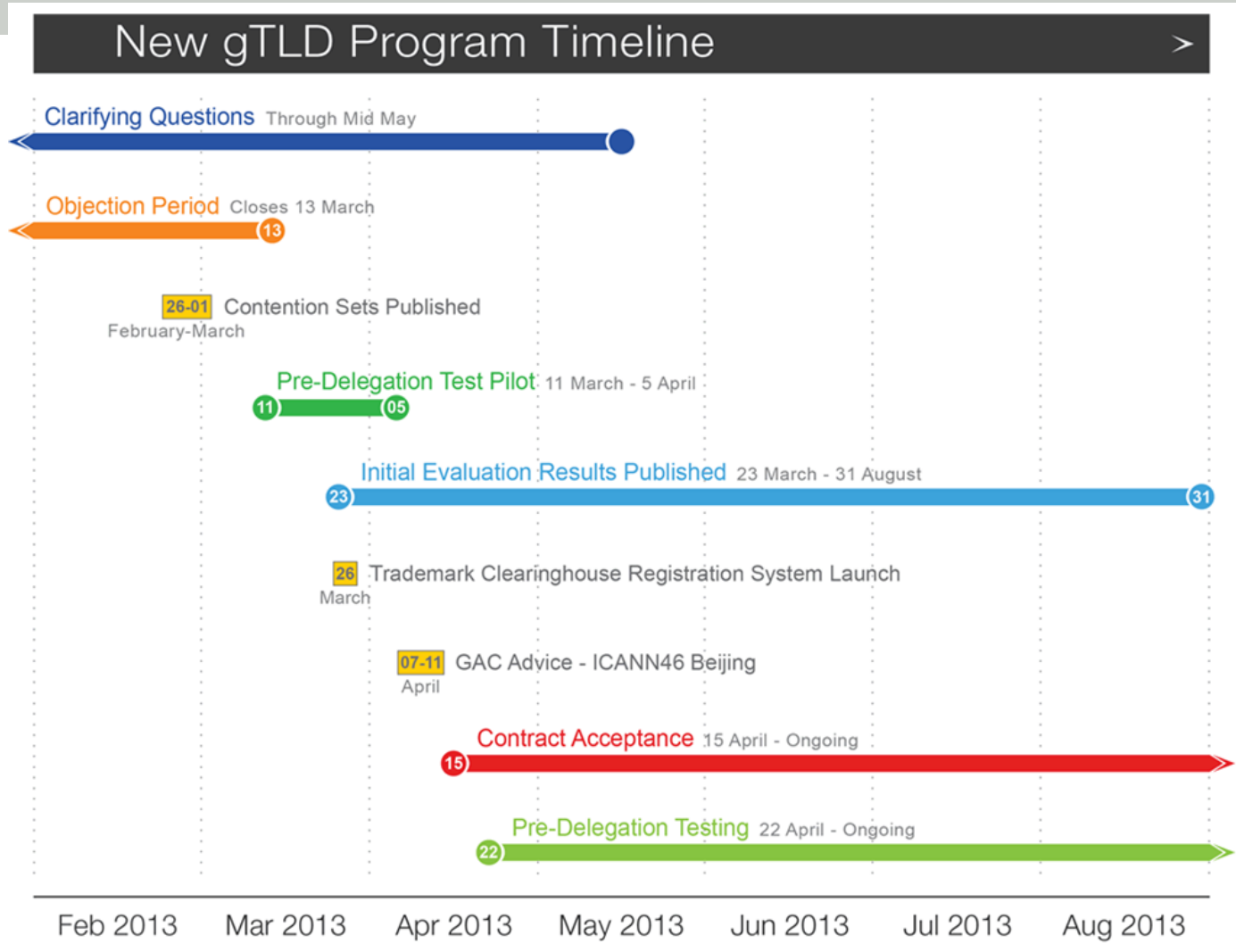
DESPITE OBVIOUS CONSUMER PROTECTION CONCERNS ICANN STEAMS AHEAD



Fadi Chehadé,
President &
CEO of
ICANN

- ICANN intends to release the first new domain names shortly after the Beijing conference.
- Consider that the trademark infrastructure must be in place before names are delegated into the root in the spring – summer timeframe.
- If ICANN sticks to this deployment date, there is no time to responsibly put in place a mechanism like the LPR or any other method to deter harmful conduct.

NEW GTLD CALENDAR



GEOPOLITICAL ENVIRONMENT



- We still have the overriding geopolitical concern that the ITU is vying for the ICANN Internet governance function.
- However, we have seen recent examples from several countries linking ICANN's failure to protect trademarks in the new gTLDs to a justification of the ITU takeover.
- By helping ICANN responsibly deploy new gTLDs we are ensuring the long term viability of the organization.
- By deploying the new gTLD launch in such an expedited fashion ICANN is endangering its long-term survival.