

Letter to Anthony R. Kinney, Lawyer for Economic  
Solutions, Inc. (ESI)  
(23 October 2000)

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BY FACSIMILE

FOR PUBLIC RELEASE

Anthony R. Kinney, Esq.  
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St. Louis, Missouri 63102

Dear Mr. Kinney:

I am responding to your 26 September and 18 October 2000 letters. In those letters, you assert that:

1. Your client, Economic Solutions, Inc. (ESI), "owns exclusive rights to market the '.bz' country code TLD identifier which it contractually obtained from the government of Belize."
2. ESI has trademark rights that would be infringed by the establishment of a ".biz" or ".ebiz" top-level domain.
3. Neither ".biz" or ".ebiz" should be established as a TLD under ICANN's Criteria for Assessing TLD Proposals, dated 15 August 2000.

In this letter, I am addressing only your first two points; your third assertion is one that ESI should raise as a comment in the currently ongoing ICANN public-comment process.

We do not find either of your first two assertions persuasive. We fail to see any basis on which ESI has exclusive rights to market the .bz country-code top-level domain. Even if ESI does have marketing rights, moreover, it does not appear to us that marketing rights would give rise

As noted above, the .bz top-level domain is intended to be operated to serve the Internet community in Belize. The code "bz" was selected because it stands for "Belize," not "business" or "e-business."

In any event, substantial legal authority holds that one does not gain trademark or service-mark rights over use of a top-level domain by virtue of provision of registration services within that domain. The United States Patent and Trademark Office (PTO), which is responsible for examining claims to trademark and service-mark rights in the United States, has made clear that a top-level domain name, when used as a registry under which lower-level domain names are registered, does not function as a source identifier subject to service-mark rights, but instead is an informational description of the names being registered. In September 1999 the PTO issued Examination Guide No. 2-99 concerning the procedures for examining applications for trade and service marks composed of domain names. Section II.D of the Guide states:

"If a mark is composed solely of a TLD for 'domain name registry services' (e.g., the services currently provided by Network Solutions, Inc. of registering .com domain names), registration should be refused under Trademark Act §§1, 2, 3 and 45, 15 U.S.C. §§1051, 1052, 1503 and 1127, on the ground that the TLD would not be perceived as a mark. The examining attorney should include evidence from the NEXIS® database, the Internet, or other sources to show that the proposed mark is currently used as a TLD or is under consideration as a new TLD."

This conclusion that there are no trademark or service-mark rights in domain names with respect to the activity of registering names within those domains is supported by judicial decisions as well. In *Image Online Design, Inc. v. CORE Ass'n*, Case No. CV 99-11347 RJK (C.D. Cal. June 22, 2000), the plaintiff asserted trademark rights in the name "web" as applied to the service of registering domain names under the top-level domain .web. The court granted summary judgment to the defendants, finding as a matter of law that there could be no trademark rights in the name "web" based on its use in connection with the provision of registration services under the .web domain:

"In sum, Plaintiff's use of the mark .web in connection with domain name preregistration services does not confer trademark protection. As a gTLD, .web does not indicate the source of the services; instead, it indicates the type of services. The Court finds that .web, as used here, falls out of the ambit of trademark categorization. Further, even if it could be categorized, .web is simply a generic term for websites related to the World Wide Web. Accordingly, the mark is not protectable." (emphasis in the original)

Because there are no trademark rights in a top-level domain (.web) based on provision of registration services in that same top-level domain, it is plain that there can be no trademark rights over domains (.biz or .ebiz) based on the provision of registration services within a different top-level domain (.bz).

This result appears to apply not only in the United States, but in other major countries as well. ICANN's Governmental Advisory Committee (GAC), which consists of representatives of approximately 30 governments (including the United States) and intergovernmental organizations (including the World Intellectual Property Organization) issued a communiqué to ICANN in August 1999 which gives the following advice to ICANN:

"The GAC reaffirmed its May resolution that the Internet naming system is a public resource and that the management of a TLD registry must be in the public interest.

"Accordingly, the GAC considers that no private intellectual or other property rights inhere to the TLD itself nor accrue to the delegated manager of the TLD as the result of such delegation."

In sum, it would appear that ESI's claimed contract concerning .bz, if that contract in fact exists and can be appropriately documented, does not confer on it any rights to exclude others from engaging in the registration of second-level domain names under the possible top-level domains .biz and .ebiz, either in the United States or elsewhere.

As your letters note, ICANN is in the process of reviewing several applications for establishment of either a .biz or an .ebiz top-level domain.

ICANN has not made any decision whether or not such a top-level domain should be established, but in the event that .biz or .ebiz is selected

ICANN intends to move forward with contractual discussions with the selected applicant, with the goal that a .biz or .ebiz top-level domain be

added to the root-zone under Amendment 11 to the Cooperative Agreement between the United States Government and Network Solutions, Inc.

Yours truly,

Louis Touton  
Vice President and General Counsel

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