



## Trademark Protection in ICANN's New Generic Top-Level Domain ("gTLD") Space Will Require Diligence by Trademark Owners.

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ICANN is launching its new top-level domain ("TLD") program this winter. It will begin to accept applications from potential registries on January 12, 2012. The new TLD program will allow qualified applicants – those able to pay \$185,000 (not including infrastructure and other investments to actually run a registry)<sup>2</sup> and meet technical requirements – to establish top-level domain names under any letter and number combination.<sup>3</sup> While it remains to be seen how many <company> TLDs will appear given the cost, trademark owners potentially will now face a myriad examples of <infringing\_domain\_name.whatever> and even some examples of <whatever.infringing\_TLD>. Acknowledging this problem, ICANN announced mechanisms that trademark owners will be able to use to protect their trademark rights in these new TLDs. The mechanisms have not been finalized as of this writing, but this post provides a summary of these mechanisms as currently contemplated by ICANN, including a procedure for objecting to the proposed TLDs and protecting owners' rights in second-level domain names.

### **Procedure for Objecting to Proposed Top-Level Domain Names**

Trademark owners, and others, will be able to object to new TLD applications after ICANN publishes them for public review shortly after the application period closes on April 12, 2012. ICANN will not be responsible for reviewing the TLD applications for objectionable letter and number combinations.

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<sup>1</sup> This post updates our blog post from August 26, 2011, with information from ICANN's most recent version of the gTLD Applicant Guidebook, as well as commentary from the World Intellectual Property Organization and others.

<sup>2</sup> The International Trademark Association estimates that it will cost nearly \$2 million over a one-to-two year period to operate a new gTLD.

<sup>3</sup> ICANN has provided an interactive demonstration of the application system. See <http://newgtlds.icann.org/applicants/tas/demo>.



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Four types of objections to new TLDs will be permitted:<sup>4</sup> 1) “existing legal rights,” e.g., ownership of a registered or unregistered trademark; 2) string confusion (i.e., confusion between two applied-for TLDs); 3) limited public interest objection; and 4) community objection. We are only discussing the existing legal rights objection. For information on the other types of objections, see ICANN’s Guidebook.

An existing legal rights objection will have to be filed with the Arbitration and Mediation Center of the World Intellectual Property Organization (“WIPO”). The rules for this type of objection recently approved by ICANN are available at <http://www.icann.org/en/topics/new-gtlds/wipo-rules-clean-19sep11-en.pdf>.<sup>5</sup> The filing fee for a single objection to a single TLD application will be \$2,000, and the additional fee for having one panelist hear the objection is \$8,000. For a panel of three, the filing fee will be \$3,000, and the panel fee will be \$20,000.

### **Procedures for Protecting Trademark Owners’ Rights in Second-Level Domain Names**

The Uniform Domain Name Dispute Resolution Policy (“UDRP”) will continue to be available to resolve disputes over second-level domain names registered under any new TLD. ICANN has imposed additional obligations, however, upon new TLD registry operators to protect pre-existing trademark owners’ rights, including the creation of the Trademark Clearinghouse, a Trademark Claims Service and a Sunrise Period.

- **The Trademark Clearinghouse**

Trademark owners will be able to register their marks with the Trademark Clearinghouse – a central repository for trademark information submitted by trademark owners.<sup>6</sup> The Trademark Clearinghouse will support Trademark Claims and the Sunrise Period, which are explained below. To register a trademark with the Trademark Clearinghouse, a claimant will have to submit a copy of its registration certificate for the mark (or other proof of ownership of a mark) and a declaration regarding ownership of rights in the mark, including a statement under oath that the mark currently is in use and a specimen of the use of the mark (e.g., a picture of the product bearing the mark, or a website shot showing the services offered under a mark).

Registering a mark with the Trademark Clearinghouse is only the beginning – registration will not constitute conclusive evidence of rights in the mark for purposes of objecting to an application to register a domain name. Choosing not to register also will have no impact on a subsequent dispute. The operator of the Trademark Clearinghouse has not yet been chosen nor has ICANN outlined any associated costs, but it has posted a Request for Information from potential providers. See <http://www.icann.org/en/topics/new-gtlds/trademark-clearinghouse-rfi-03oct11-en.pdf>.

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<sup>4</sup> See *gTLD Applicant Guidebook* (September 19, 2011) Module 3, par. 3.2.1, p. 151, available at <http://www.icann.org/en/topics/new-gtlds/rfp-clean-19sep11-en.pdf> (the “Guidebook”).

<sup>5</sup> And at p. 191 of the Guidebook.

<sup>6</sup> See <http://www.icann.org/en/topics/new-gtlds/trademark-clearinghouse-clean-19sep11-en.pdf> and Guidebook, p. 304.

- **Trademark Claims Service**

ICANN will require all new TLD registries to use the Trademark Clearinghouse to support a Trademark Claims service. The Trademark Claims service will notify a registrant for a second-level domain name of the trademark owner's claimed rights when the registered domain name is an "Identical Match" to an owner's mark, and also notify the trademark owner after such a domain name has been registered. The Trademark Claims service is required to operate during the first 60 days of a TLD launch period.<sup>7</sup>

- **Sunrise Period**

The Trademark Clearinghouse will also provide trademark owners with an opportunity to register their marks as domain names with the TLD before applicants at-large may apply to register any domain names – a Sunrise Period. Trademark owners who register their marks with the Clearinghouse also will receive notifications when any third party seeks a Sunrise registration for a domain name that is an identical match to the owner's mark. New TLD registry operators will have to provide a Sunrise period for at least 30 days during the pre-launch phase of the TLD.

### **Uniform Rapid Suspension System for Second-Level Domain Names**

In addition to the UDRP, trademark owners will now be able to resort to a faster and less expensive uniform rapid suspension system (URS). ICANN developed the URS system for "clear cases of trademark abuse." The URS will have some important differences from the UDRP, but since no provider has been chosen as of this writing, the procedures discussed below are subject to change.

First, the expected cost of an objection under the URS will be about \$300, but the final amount will be set by the provider. Second, a prevailing trademark owner will not acquire the infringing domain name, instead, the domain name will point to a holding page until the end of the then current registration period. After the suspension ends, anyone will be free to register the domain name. Third, the domain name registrant (the alleged infringer) will have only 14 days to respond to a complaint (subject to a one week extension). Fourth, the trademark owner will face a higher burden of proof – clear and convincing evidence – and there can be no genuine issues of fact for the trademark owner to prevail. Fifth, a complaint listing more than 15 domain names registered to the same registrant will be subject to a Response Fee refundable to the prevailing party, *i.e.*, a "loser pays" system. Finally, a finding against the trademark owner will always be without prejudice, so another URS proceeding or action under the UDRP may be filed against the same domain name.<sup>8</sup>

### **Objections Against TLD Registry's Infringing Use of Mark**

ICANN has provided trademark owners with causes of action against TLD registry operators that violate a trademark owner's rights, either in the top-level or second level domain name space. Specifically, ICANN will institute a post delegation dispute resolution procedure (PDDRP).<sup>9</sup>

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<sup>7</sup> See Guidebook, p. 309, Trademark Clearinghouse, Section 6.1.

<sup>8</sup> See <http://www.icann.org/en/topics/new-gtlds/urs-clean-19sep11-en.pdf> and Guidebook, p. 314.

<sup>9</sup> See <http://www.icann.org/en/topics/new-gtlds/pddrp-clean-19sep11-en.pdf> and Guidebook, p. 325.

As with the URS, no provider has been chosen to administer the PDDRP as of this writing, so the procedures outlined in the current Guidebook are subject to change. For now, the two causes of action a trademark owner may bring against a registry are: 1) against the registry's use of a string for a top-level domain name that is identical or confusingly similar to a mark and where the top-level domain takes unfair advantage of the distinctive character or the reputation of the complainant's mark, or impairs the distinctive character or the reputation of the complainant's mark, or creates a likelihood of confusion with the complainant's mark; and 2) where the registry engages in affirmative conduct exhibiting a "substantial pattern or practice of specific bad faith intent" to profit from the sale of infringing domain names. One example of the latter offered in the Guidebook is where the registry engages in a practice of acting as the registrant for infringing domain names in an effort to monetize and profit from them.

## Conclusion

ICANN has not finalized the Guidebook, but at this point in the process, we do not anticipate significant alterations to the mechanisms described above. Brand owners will have several options for protecting their rights. Registering marks with the Trademark Clearinghouse are a logical first step, but ultimately monitoring the new TLDs, just like trademark owners currently monitor the current TLDs will remain necessary.

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