



Trademark Management and the New Generic Top Level Domains

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Generic Top Level Domains (gTLDs)

Everyone navigates the Internet. It is the new Grand Commons of society – the place for communication, commerce and information. Web sites populate and inform the internet. Every web site has a domain name such as Nossaman.com. Domain names are crucial for identifying sources of services or products and have themselves become a commodity the rights to which generate expensive disputes.

In this context, in late 1998, the US Department of Commerce issued a so-called "White Paper" on the "Management of Internet Names and Addresses" which, among other purposes, hoped to address the conflict between trademark holders and domain name holders and the increasingly international and commercialized nature of the internet.¹ The White Paper recognized a variety of business and geopolitical realities and recommended the creation of a private, non-profit entity to oversee the management of Top Level Domains (TLDs; also sometimes referred to as a "string" or "end-string") (e.g., .com, net, .gov, .info) which is now known as the Internet Corporation for Assigned Names and Numbers (ICANN). ICANN went on to introduce a limited number of additional TLDs shortly after its formation in 1998 and again in 2004.

ICANN is poised to do so again – and this third wave of TLDs may well release the tempest.

In January 2012, ICANN began accepting applications for new generic Top Level Domains (gTLDs)² having essentially removed most restrictions on the names of gTLDs. Now, ICANN will also allow so-called "dot brand" TLDs (i.e., .GUCCI).³

The "Trademark Dilemma"

The internet is global. Branding and trademark protections are increasingly global. Where an internet

domain name uses a trademark or confusingly similar term, in order to vindicate its rights in a trademark, the trademark holder is left to wade through a mine-field of options (practical and legal), conflicting international protections, continued "fraudulent" protections, and forced arbitrations. A TLD of .com, .net, or .org would not, by itself, drive a trademark holder to claim infringement. Instead, it is the secondary domain identification that generally causes problems.⁴

While ICANN, as a private, non-profit entity manages the TLDs, the domain name registrars are for-profit. In response to the trademark holder and other claims against domain name holders, the US asked the World Intellectual Property Organization (WIPO) to develop a process and system for dispute resolution which became the Uniform Dispute Resolution Policy (UDRP). Addressing the issue to WIPO also acknowledged the reality that the internet was global and dispute resolution could not be addressed solely within the US. We now have an overlapping "mesh" of so-called Rights Protection Mechanisms (RPMs).

Doubling our Troubles?

On June 13, 2012, ICANN released the new gTLD "Applied-For Strings."⁵ ICANN said it best: "There are...only 22 'generics' in the domain name system right now, but that is all about to change." The list includes about 2000 applications for TLD registry ranging from .ADULT to .GUCCI to .MEDICAL to .NIKE to .YOU and includes the use of non-Latin characters.

In connection with the current list of "Applied for Strings," ICANN provided an objection period, currently extended to March 13, 2013. During this period, interested parties may file objections to the approval of an application in 4 categories:

1. A. String Confusion – The applied for gTLD string is confusingly similar to an existing TLD or to another applied-for gTLD string. Delegating two or more similar TLDs could cause user confusion.
2. Legal Rights – The applied-for gTLD string violates the legal rights of the objector (e.g., trademark registration).
3. Limited Public Interest – The applied-for gTLD string contradicts generally accepted legal norms of morality and public order recognized under principles of international law.
4. Community – There is substantial opposition to the gTLD application from a significant portion of the community which the gTLD string is targeting.

Following the objection period, disputed applications will proceed through the dispute resolution process (as designed by one of the ICANN dispute resolution service providers).

What To Do?

ICANN's new gTLDs and registry applications have gone significantly under-noticed by mid-sized businesses. This is true even for many businesses that are based on branding or are web-based themselves. However, there are mechanisms to protect branding, internet presence, and e-commerce operations.

1. gTLD Registry Application

Become a gTLD registry. Not for the faint of heart, the application process is costly, involved, competitive, and subject to a variety of operational, technical and financial rules. The gTLD *registry* is contractually obligated to ICANN to operate the gTLD in a secure and stable manner (including maintaining the data base of registered domain names within the TLD). By contrast, a *registrar* (generally accredited by ICANN) is contractually obligated to the registry to register the domain names to registrants. Notably, the "dot brand" gTLD registries endure heightened scrutiny and in some circumstances may assign the registry operations

to a third-party.

2. gTLD Objection

As discussed, an interested party (i.e., business, current domain owner, trademark registrant) has until March 13, 2013 to file an objection and proceed through the dispute resolution process.

3. Trademark Clearinghouse

ICANN's efforts to address the continuing trademark dilemma and infringement posed by domain names now includes a Trademark Clearinghouse whereby a trademark owner can register their mark. The Clearinghouse offers a few benefits:

- Sunrise period registration – the trademark owner may be allowed to defensively register their mark as a secondary domain identification within a new gTLD during a Sunrise period (before the domain is available to the general public). With early priority access to registration, the expectation is that the trademark owner will secure potentially infringing domain names for themselves and avoid later and potentially costly legal claims to police and protect their mark.
- Trademark Notice – the domain registrant will be provided notice of a trademark registered with the Clearinghouse and, later, to the trademark registrant, and
- Uniform Rapid Suspension (URS) – a swift, light-weight dispute resolution process explained below.

4. "Defensive" new gTLD domain registration

Whether through a Sunrise period or thereafter, a trademark owner might proactively, though defensively, register their domain to prevent another registrant from doing so.

5. Uniform Dispute Resolution Policy (UDRP)

Think of the UDRP as contractual arbitration. On registration, each domain name applicant submits to the jurisdiction of the UDRP in the domain name agreement as required by ICANN (through the registrar).⁶ The process includes several key elements which a complainant must establish to challenge a domain name registration:

- the domain name is identical or confusingly similar to a trademark or service mark; and
- the domain name registrant has no rights or legitimate interests in respect of the domain name; and
- the domain name has been registered and is being used in bad faith.⁷

What constitutes bad faith is more art than science and is viewed from a variety of perspectives; however, ICANN has identified several facts to be considered.⁸

6. Uniform Rapid Suspension (URS)

The Uniform Rapid Suspension service allows the complainant to quickly address a clear-cut case of trademark infringement under a new gTLD with processes which are similar to those of the UDRP. However, there are key differences:

- there is a greater burden of proof by the complainant,
- additional defenses exist for the domain name registrant, and
- the sole remedy for a complainant is a temporary suspension of a domain (until the expiration of the registration or other legal transfer, whichever comes first).

7. Post Delegation Dispute Resolution Procedure (PDDRP)

Again, similar in process to the UDRP, the Post Delegation Dispute Resolution Procedure (PDDRP) is aimed at the gTLD registry (rather than a domain name registrant) and serves to address violations by the registry that violate the stable and secure directive for each registry or affirmative conduct which contributes to trademark abuses.

8. Appeal to Local Law

Following any of the dispute resolution processes, the complainant may then appeal an unsatisfactory decision to local national, regional, or state laws to force ICANN or a registrar to transfer a domain name (e.g., US "Anticybersquatting Consumer Protection Act"⁹). Of course, in many jurisdictions, the complainant may apply to the local courts before submitting to the ICANN processes.

Should we worry that this flood of new gTLDs will create a tsunami of trademark abuses and infringement? According to WIPO current registration statistics, at 78% of outstanding domains, ".com" remains king. Simply, the consumer has not adopted the previous gTLDs (that created early concern of incremental abuses) including: .net (10%), .org (6%), or even the newer .xxx (.04%). Depending on the business, product, service, sales channels, or reliance on the internet, businesses may have more or less concern about the new gTLDs. At a minimum, they cannot be ignored. And, we have a variety of approaches and tools to address issues.

For more information on gTLDs, Trademark Clearinghouse registration, Nossaman's IP audit services, and Nossaman's Intellectual Property & Media Practice Group, please contact Thomas Dover.

¹ US Dept of Commerce, "*Management of Internet Names and Addresses*" Docket No.: 980212036-8146-02

² New Internet Name Rule Opens Door to Huge Changes. Voice of America, June 20, 2011.

³ Internet minders OK vast expansion of domain names, Associated Press, June 20, 2011.

⁴ "Top Level Domains" (TLDs) and "generic Top Level Domains" (gTLDs) indicate the portion of an internet domain name following the last "." (i.e., .com, .net, etc.). Secondary domain name is the primary portion of an internet domain name and is the subject of most pre-2012 gTLDs trademark disputes and "Uniform Dispute Resolution Policy" (UDRP) actions (e.g., in '*www.example.com*,' example is the secondary domain name).

⁵ <http://newgtlds.icann.org/en/program-status/application-results/strings-1200utc-13jun12-en>

⁶ The Management of Internet Names and Addresses: Intellectual Property Issues, 30 April 1999. <http://www.wipo.int/export/sites/www/amc/en/docs/report-final1.pdf>

⁷ <http://www.icann.org/en/help/dndr/udrp/policy>

⁸ While not exclusive, UDRP policy defines "bad faith" as including "squatting" (acquiring a domain name for the purpose of selling) and "siphoning" (attempting to attract, for commercial gain, users to a site that is confusingly similar to another's trademark).

⁹ The Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d), is an American law enacted in 1999 and that established a cause of action for registering, trafficking in, or using a domain name

confusingly similar to, or dilutive of, a trademark or personal name.