

IP Litigation News

Defending Trademarks on the Internet: New Generic Top-Level Domains Present Both Opportunities and Threats

On January 12, 2012, the Internet Corporation for Assigned Names and Numbers (ICANN) began accepting applications from organizations seeking to secure and operate new generic top-level domains (gTLDs). This development may have important ramifications, not only for entities who take advantage of gTLDs for branding or other purposes, but for all organizations that want to protect their trademarks.

Top-level domains are the labels that follow the dot at the end of a website address (e.g., .com, .net or .org). Under the gTLD program, organizations can apply for their own customized top-level domain. Thus, Vedder Price could apply for the domain “.vedderprice,” “.vp,” or even “.law.” Once an entity obtains a gTLD, it can then use the domain in marketing its own services, or sell domain names that make use of the gTLD. For example, the entity that ultimately controls “.law” may try to sell domain names to law firms that want to use the “.law” extension (e.g., www.vedderprice.law). ICANN also anticipates that some applied-for gTLDs will be Internationalized Domain Names which include characters from languages that are not written with the basic Latin alphabet.

Trademark Enforcement Concerns

The ability to secure gTLDs raises a number of trademark enforcement concerns. First, your organization must decide whether to protect its trademarks by applying for gTLDs before they are obtained by other entities. Commentators have rightly noted that this is a costly proposition. The

application cost alone is \$185,000 for most applicants, and additional fees may be required during the course of the evaluation. Thus, at this time, obtaining a gTLD may not be realistic for many organizations.

Second, even if your organization does not apply for a gTLD, you should consider how the existence of gTLDs may impact your trademark enforcement strategies, including whether the organization should track and challenge applications for gTLDs that are identical or confusingly similar to your organization’s name, acronym or other trademark.

The Application and Objection Process

ICANN is accepting applications for gTLDs in batches. The first round of applications will be accepted until April 12, 2012. ICANN will announce subsequent application periods at a later time. The process of applying for a gTLD is far more complex than the process of registering a domain name. This is because an applicant for a new gTLD is not simply obtaining a domain name, but is applying to create and operate a registry business that supports the Internet’s domain name system. In addition to the substantial application fee, organizations must enter into a contract with ICANN and provide certain information as part of a background screening process.

At the close of the initial application period, ICANN will evaluate each application on multiple grounds. Among other things, it will examine whether the applicant has the requisite technical, operational and financial capability to operate a

registry, whether the applied-for gTLD string is so similar to other strings that it would create a probability of user confusion, and whether the registry services offered by the applicant might adversely affect internet security or stability.

In addition, after the close of the initial application period, ICANN will verify the applications for completeness, then publish portions of all applications for public review. Once the list has been published, trademark owners and other third parties will have approximately 7 months to file a formal objection. Parties may object to the application on four grounds: string confusion; legal rights; limited public interest; and community. Organizations seeking to enforce their trademark rights through the ICANN objection procedure must file a “legal rights” objection. “Legal rights” objections will not be handled directly by ICANN, but by the Arbitration and Mediation Center of the World Intellectual Property Organization. ICANN, however, has published a gTLD Applicant Guidebook that addresses issues such as who has standing to assert an objection, how objections are filed and the cost of filing an objection. The Applicant Guidebook can be found at <http://newgtlds.icann.org/en/>.

ICANN has also implemented an expedited dispute resolution process called the Uniform Rapid Suspension System (“URS”). This process is designed to address situations in which there

are no questions of fact and it is clear that the attempted domain registration is being made in bad faith. If there is any genuine contestable issue as to whether a domain name registration and use of a trademark are in bad faith, the complaint will be denied and the URS proceeding will be terminated without prejudice to the trademark owner’s right to seek relief through a “legal rights” objection or court proceeding.

Recommended Next Steps

If you want to apply for a gTLD for your organization, you should move quickly to complete the application before the April 12 deadline. If your organization does not apply for a gTLD, you should consider examining the applications of other organizations once ICANN makes them public (likely in May 2012) to determine whether any of the requested gTLDs potentially infringe your organization’s trademarks. If any of the applications cause you concern from a trademark enforcement perspective, you can consider appropriate next steps, including whether to file a “legal rights” objection or take alternative legal action. You should then repeat this process at the conclusion of subsequent application periods.

If you have any questions about the new gTLD program, please contact **Michael J. Waters** at +1 (312) 609 7726, **Alain Villeneuve** at +1 (312) 609 7745, or any member of the Intellectual Property Litigation group with whom you work.

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Intellectual Property Litigation Group

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