Intellectual Property Advisory

Katten Muchin Rosenman LLP

January 15, 2014

The New gTLD Program: Latest Updates on Brand Protection and the Trademark Clearinghouse

The most significant development in the Internet space in recent years is the ongoing generic top-level domain (gTLD) expansion. (As a reminder, a TLD is what appears to the right of the "dot" in a domain name (i.e., .COM, .ORG, .GOV).) The Internet Corporation for Assigned Names and Numbers (ICANN) has embarked on an aggressive plan to expand the Internet from just 23 gTLDs to more than a thousand gTLDs, culminating in an application process in 2012 that allowed any organization with an interest in running a registry to apply for a new gTLD, provided it could meet the designated technical, operational and financial criteria. After this lengthy application and vetting process, ICANN has now delegated the first 44 gTLDs, with additional gTLDs launching each week. Over the next couple of years ICANN expects to delegate nearly 1,400 new gTLDs – including .CLOTHING, .COMPANY, .EDUCATION, .GURU, .HOSPITAL, .INC, .INVESTMENTS, .LAND, .MENU, .MOVIE, .NEWS, .PHOTOS, .SCIENCE, .SPORTS and .WEBSITE.

ICANN's new gTLD program presents an opportunity for brand owners to utilize the Internet in ways not previously possible, but also raises new enforcement challenges for brand owners. For the first time ever, brand owners can register their trademarks on domain registries tailored to their target industries. On the other hand, brand owners may also be required to monitor 1,400 additional registries to prevent misuse and abuse of their trademarks. With that in mind, in order to ensure that trademark and brand owners' rights are protected as the Internet expands, ICANN has devised a Trademark Clearinghouse (TMCH), one of the key new gTLD enforcement tools for brand owners, which now serves as a repository for information regarding trademark rights.

A very important step in developing a TMCH strategy is understanding the benefits of participating in the TMCH. The TMCH offers brand owners two separate services for protecting their brands online:

- <u>Participation in the Sunrise Period</u>. The Sunrise Period is an initial period of at least 30 days before domain names are offered to the general public. Companies that participate in the TMCH have priority in registering domain names that match their trademarks on any of the new gTLDs to protect them from cybersquatting or to actively use them for strategic business and marketing purposes.
 - To take advantage of the Sunrise Period, brand owners can enter registered trademarks for which they can provide proof of use of the mark.
 - For example, by entering KATTEN MUCHIN ROSENMAN in the TMCH for .LAW, our firm can later register the domain name www.kattenmuchinrosenman.law to prevent a third party from obtaining that domain name. Alternatively, the firm may choose to redirect its current website to the new domain name and drop the .COM altogether.

For more information, or if you have any questions, please contact your Katten Muchin Rosenman LLP attorney or any of the following members of Katten's Intellectual Property Practice.

Brian J. Winterfeldt +1.202.625.3562 brian.winterfeldt@kattenlaw.com

Christopher D. Casavale +1.202.625.3579 christopher.casavale@kattenlaw.com

Merilee J. Arevalo +1.202.625.3634 merilee.arevalo@kattenlaw.com

- Opting not to participate in the Sunrise Period does not preclude brand owners from registering domain names matching their trademarks on the new gTLDs. However, once the Sunrise Period expires, brand owners will be competing with the general public on a first-come, first-served basis.
- <u>Trademark Claims Service</u>. This is a mandatory service that must be available for at least 90 days during the initial launch of a new gTLD (some registries are opting for longer periods). When attempting to register a domain name, the potential registrant receives a warning notice that the domain name exactly matches a verified trademark record in the TMCH. If a potentially infringing domain name registration proceeds, the trademark owner is notified, and the owner can take appropriate action.
 - To take advantage of the Trademark Claims Service, companies can enter registered trademarks in the TMCH (proof
 of use not required) and be notified of up to 50 domain labels that were found to be abusive by a court under the AntiCybersquatting Consumer Protection Act (ACPA) or under the Uniform Domain-Name Dispute-Resolution Policy (UDRP).
 - For example, by entering KATTEN MUCHIN ROSENMAN in the TMCH for Claims Service, our firm would receive a
 notification upon the registration of the domain name www.kattenmuchinrosenman.fail. The firm can take immediate
 action against the domain name registrant, and transfer or suspend the infringing domain.
 - Deloitte, ICANN's TMCH provider, recently announced plans for a free Extended Claims Service wherein the TMCH will
 offer notification to trademark owners of marks listed in the TMCH of domain names registered in any of the new gTLDs
 that match their marks or abused labels for an indefinite time period after each new gTLD registry's Claims Period. Brand
 owners must opt-in for the service.
 - However, unlike the standard mandatory Claims Service, the Extended Claims Service will not provide a warning notice to prospective domain name registrants that an applied-for domain name matches marks listed in the TMCH or their abused labels prior to their registration, thus providing less deterrent effect than the Trademark Claims Service.

Katten's Internet practice offers **Full-Service Trademark Clearinghouse Services** to guide you through the submission process. The experienced team has undergone specialized training directly from Deloitte in order to ensure that they understand the nuances of the multi-step submission process. The team will work with you to strategically select the trademarks for submission and will obtain all documents and information required to prepare and file the records. The team can also assist with domain name registrations on the new gTLDs and further provide ongoing support to develop a domain name enforcement strategy customized to your unique business needs.

There is no deadline to enter marks into the TMCH. However, as of January 3, 2014, ICANN has already launched 44 new gTLDs, and it is anticipated that ICANN will continue to announce the start-up information for additional TLDs on a weekly basis until all 1,400 new gTLDs are delegated. As such, it is recommend to submit your trademarks as soon as possible to allow sufficient time for processing and to avoid missing out on Sunrise registration opportunities.

Let Katten's experienced Internet team enable your organization to maximize the benefits of the new gTLD program and ensure that your brand remains sufficiently protected moving forward as new gTLDs continue to launch. For more information regarding how to protect and enforce your brands through use of the TMCH, please contact Brian Winterfeldt at <u>brian.winterfeldt@</u> <u>kattenlaw.com</u>.

Katten

Katten Muchin Rosenman LLP

www.kattenlaw.com

AUSTIN | CENTURY CITY | CHARLOTTE | CHICAGO | HOUSTON | IRVING | LONDON | LOS ANGELES | NEW YORK | ORANGE COUNTY | SAN FRANCISCO BAY AREA | SHANGHAI | WASHINGTON, DC

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2014 Katten Muchin Rosenman LLP. All rights reserved.

Circular 230 Disclosure: Pursuant to regulations governing practice before the Internal Revenue Service, any tax advice contained herein is not intended or written to be used and cannot be used by a taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. Katten Muchin Rosenman LLP is an Illinois limited liability partnership including professional corporations that has elected to be governed by the Illinois Uniform Partnership Act (1997). London: Katten Muchin Rosenman UK LLP.