

Intellectual Property Alert

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Has Someone Applied to Register Your .BRAND? Top Five Things You Need to Know

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You've heard about the planned expansion of the domain name system, but what does it really mean for trademark owners?

Last year, the Internet Committee for Assigned Names and Numbers (ICANN), the organization responsible for the coordination of the global Internet domain name system, announced a plan to bring sweeping changes to the Internet's generic top level domain (gTLD) structure. Internet users are familiar with gTLDs, if not by name. gTLDs are Internet extensions such as .com, .org and .net found at the end of a domain name. Under the new system, a business could apply to own its .BRAND. An automobile company could apply to own .CARS. A city government could apply to own .CITY. The possibilities, seemingly, are endless.

ICANN received 1900 applications for new gTLDs during the first application period, which is now closed. Google announced last week that it had applied for the gTLDs .GOOGLE, .YOUTUBE and .LOL among others. Canon Inc. announced that it has applied for the gTLD .CANON in order to "increase the convenience and effectiveness of its online communications." The domain name registry Donuts Inc. announced that it has applied for 307 new gTLDs. The timeframe and process for reviewing the applications are somewhat fluid but the first new batch of gTLDs is slated to become active in early 2013. The remaining batch of applied-for gTLDs will not go live until 2014 or later. So what should trademark owners do now to prepare for the new regime?

1. Review and Analyze the List of Applied-For gTLDs

In what ICANN calls "Reveal Day," on Wednesday, June 13, 2012, ICANN will publicly post a listing of all applied-for gTLD character strings. This will be the first public glimpse into which entities have applied to own which new gTLDs. Although some companies have announced publicly that they have submitted applications to participate in the new gTLD program, most have remained silent throughout the initial application phase. But all will be revealed on Reveal Day. Trademark owners should carefully review the list of applied-for gTLDs in order to determine if any conflict with pre-existing trademark rights. But remember, the list of applied-for gTLDs have not been approved by ICANN yet. There is time to take action if necessary to protect your trademark rights.

2. Submit a Comment to ICANN

What can you do if you learn on Reveal Day that someone has applied to register your .BRAND? Following publication on Reveal Day, interested parties may submit comments related to proposed new gTLDs to ICANN for consideration by the independent evaluators assessing each application. During the comment period, trademark owners can submit comments regarding potential trademark infringement, dilution, and related concerns raised by particular applications for gTLDs. Application comments received within 60 days of Reveal Day, i.e., by August 12th, will be available to the evaluation panel performing the initial evaluation reviews of all pending applications. Initial evaluation of the applications is expected to begin in early July.

3. Use Dispute Resolution Procedures to Object to Infringing gTLDs and/or Domain Names

Separate from the comment procedure, and prior to the approval of an applied-for gTLD, a formal objection process will be available to trademark owners. ICANN has appointed the World Intellectual Property Organization (WIPO) to be the exclusive provider of dispute resolution services when a third party files a formal "Legal Rights Objection" (LRO) to a pending application. A Legal Rights Objection can be filed where the applied-for gTLD (i) takes unfair advantage of the unique character or the reputation of the objector's registered or unregistered trademark, intergovernmental organization (IGO) name or acronym, or (ii) without justification, the gTLD impairs the distinctive character or the reputation of the objector's mark, IGO name or acronym, or (iii) creates an impermissible likelihood of confusion between the applied-for gTLD and the objector's mark, IGO name or acronym. The LRO process offers a good option for trademark owners who believe that their trademark rights may be encroached upon by a particular applied-for gTLD. But the process comes with a price tag of \$10,000 fee for arbitration of a LRO by a single-member panel. The applicant of the challenged gTLD similarly is required to pay a \$10,000 fee. If the applicant fails to do so, the objection will be deemed successful. The sole remedies available for a LRO are the success or dismissal of the objection. Monetary damages are not available through this process.

Many anticipate that the problem of "cybersquatting" will dramatically increase with the expansion of the gTLD system. Cybersquatting refers to the bad faith registration of a domain name that contains another's brand or trademark. If an applied-for gTLD is approved by ICANN and domain names registered using the new gTLD infringe upon your trademark rights, the Uniform Domain Name Dispute Resolution Policy (UDRP) remains available to resolve domain name disputes. Under the UDRP, domain name disputes are typically resolved in approximately 45-60 days and the associated filing fees are relatively low (approximately \$1500 to resolve a dispute involving up to 5 domain names). WIPO has stated that the UDRP is "the only proven mechanism in place to absorb the impact of gTLD expansion."

Another alternative currently contemplated by ICANN is the Uniform Rapid Suspension System (URS). The URS is intended to be a faster, more cost-efficient complement to the UDRP. It is intended for cases of trademark abuse. Unlike the UDRP, which allows a trademark owner to obtain the transfer of a domain name that impairs its trademark rights, the sole remedy available under the URS is the temporary suspension of a domain name for the duration of the registration period (which may be extended for one year). While the URS substantive criteria mirror that of the UDRP, there is a higher burden of proof for complainants. ICANN has not yet selected a vendor for the URS System.

4. Register Your Trademark With ICANN's Trademark Clearinghouse

In connection with the launch of new gTLDs, ICANN plans to form a Trademark Clearinghouse. The Trademark Clearinghouse is intended to serve as a single database of authenticated, registered trademarks and will eliminate the need for trademark holders to register their marks in many different databases as new gTLDs are introduced. ICANN will require every new gTLD operator to utilize the Clearinghouse, which will be available globally and have the capabilities for validating trademark data from multiple global regions. As a result of these functions, the Trademark Clearinghouse is expected to play an important role in ensuring ongoing protection of trademark rights under the new scheme. If you are a trademark owner and have *not* applied to register a gTLD, registering your trademark with the Trademark Clearinghouse is an important step in protecting your trademark rights in the new gTLD world. The fee for initial trademark authentication and validation services is expected to be less than \$150 US per submission/trademark.

Trademark owners who lodge their marks with the Clearinghouse will obtain certain advantages and notifications during "sunrise" periods that will apply to registrations of second-level (to the left of the "dot," such as "secondlevel" in secondlevel.BRAND) domain names within newly launched gTLDs. In addition, registrants of second-level domain names will receive (at least for some period of time) notifications of trademarks that are an identical match to their newly registered domain names. Second-level domain name registrants, though, are not prevented from registering the sought-after domain name based on registration of a trademark with the Clearinghouse. They are simply put on notice that the domain name may conflict with another's trademark rights. Importantly, notice to domain name registrants will not be provided except where the match with a trademark is identical. So, if the second-level domain name contains a misspelling of a trademark, no notification will be given to the registrant.

5. Apply to Register Your Trademarks and Service Marks

Having federally-registered trademark rights will offer valuable protection as the new domain name system becomes a reality. To the extent that you are using or plan to use a trademark or service mark in connection with

the offering of goods or services and have not yet applied for federal trademark protection, you should consider doing so now. A federal trademark registration provides many valuable benefits. To start, it provides the owner with rights on a national (as opposed to a regional) level. A federal registration also provides you with the exclusive right to use the mark on or in connection with the goods or services listed in your registration. In connection with the new gTLD system, a federal trademark registration will help to strengthen and reinforce your trademark rights. It will also establish ownership of a particular trademark and, therefore, standing, to submit a legal right objection or other challenge to an applied-for gTLD or second-level domain name.

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