

Adapting to New Internet Domain Names from .App to .Zulu

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In October 2013, the first of up to 1,400 new generic top-level domains (gTLDs) went “live” on the Internet. New gTLDs have continued to launch on a rolling basis since that time and include domains of potential interest to franchisors, such as .cafe, .coupons, .inc, .menu, .news, .online, .restaurant, and more. Moreover, each new gTLD registry operator has the ability to issue a nearly unlimited number of “second-level domain names,” such as Franchisor.menu, Brand.coupons, or DomainLaw.guru.

The new gTLD program is administered by the Internet Corporation for Assigned Names and Numbers (ICANN) and, as of the date of this newsletter, nearly 350 of the up to 1,400 new gTLDs have launched. While ICANN first contemplated the new gTLD program in 2005, gTLDs are still launching nine years later—the consequence of a gTLD application window in 2012. The proliferation of new gTLDs arises from the fact that ICANN placed very few limits on the types of words or “strings” that could be reflected in new gTLDs, and the vast majority of new gTLD applications have been approved by ICANN. Similar rules will likely apply in connection with the next application window—which could open as early as late 2015 or 2016.

The domain name registration, reservation, and anti-abuse policies vary a great deal among new gTLD registry operators, with some registries adopting strong policies to limit online abuses and intellectual property infringements and other registries electing to take a more laissez-faire approach after the initial sale of a domain name. Fortunately, ICANN has mandated that all new gTLD registry operators implement certain minimum brand/trademark protection mechanisms as part of the gTLD program. While gTLD registry operators may certainly implement additional enhanced brand and

Authors

David E. Weslow
Partner
202.719.7525
dweslow@wiley.law

consumer protection mechanisms, and preexisting options, such as claims under U.S. federal law and existing domain name procedures, remain available, implementation of at least the following three new mechanisms is required:

- A “Sunrise” registration period of at least 30 days, allowing eligible trademark owners to obtain pre-launch second-level domain name registrations. Unfortunately, such trademark owners are not automatically notified of sunrise periods; they must monitor the rolling launch of gTLDs to determine if and when it is appropriate to take action. Some companies use domain name and brand protection firms for monitoring, while others handle the work in-house.
- A “Trademark Claims” service providing notice to would-be domain name registrants of corresponding trademark rights, and to relevant trademark owners if such domain names are registered, for at least the first 90 days that the new gTLD is operational.
- A “Uniform Rapid Suspension” procedure (URS procedure), providing a means for obtaining the suspension of infringing domain names within about 15 days without the necessity of initiating a court action for cybersquatting. A trademark owner may invoke the URS if it can establish by clear and convincing evidence (in only 500 words and three exhibits!) that: (a) the domain name is identical or confusingly similar to the subject trademark; (b) the domain name owner has no rights or legitimate interests in the domain name; and (c) the domain name has been registered and used in bad faith. If the trademark owner has recorded its trademark with the Trademark Clearinghouse (discussed below), this will satisfy the URS requirement of establishment of trademark rights. A successful URS complaint will result in suspension of the domain name for the term of the domain name registration.

To qualify for the Trademark Claims service and Sunrise registrations, and to obtain an evidentiary benefit in a URS proceeding, a trademark owner must first affirmatively record relevant trademarks in a newly-created “Trademark Clearinghouse.” Trademarks that have been registered with the U.S. Patent and Trademark Office or other intellectual property offices are *not* automatically imported into the Trademark Clearinghouse. Eligible trademarks for the Trademark Clearinghouse are marks that: (1) are registered; (2) are protected by statute or treaty; (3) are validated by a court or a judicial proceeding; or (4) “otherwise constitute[] intellectual property” in any jurisdiction. Trademark Clearinghouse recordation fees start at \$150 per mark per year, with discounts available under certain circumstances when marks are registered in bulk.

Although the scope of the impact that new gTLDs will have on Internet commerce and search engines is not yet entirely clear, the availability of a mere fraction of the to-be-launched gTLDs has already transformed the Internet landscape. On the one hand, new gTLD domain names offer companies new avenues through which to engage consumers and provide marketing professionals with new tools for creative advertising. On the other hand, sophisticated cybersquatters and Internet scam artists, as well as accidental cybersquatters, have begun to register scores of brand.gTLD domain names in hopes of profiting handsomely from the use or sale of the domain names. Given the number of new gTLDs that will be going “live” in the next one to two years, brand owners should carefully review their portfolios to identify marks to be recorded in the Trademark Clearinghouse. In addition, brand owners should be developing or refining trademark protection strategies and protocols in relation to new gTLDs – such as identifying which of the applied-for gTLD strings presents the

highest risks, establishing targeted strategies for defensive domain name registrations, and setting appropriate budgets and protocols for prioritizing online infringements.