

What Trademark Owners Need to Know about ICANN's New gTLD Program

For more information on the new gTLDs or other intellectual property issues, please contact your Vorys attorney, or one of the following:

Cory M. Amron
cmamron@vorys.com
202.467.8810

William H. Oldach III
wholdach@vorys.com
202.467.8880

Richard S. Donnell
rsdonnell@vorys.com
202.467.8856

Christopher M. Ott
cmott@vorys.com
202.467.8909

Sutton A. Meagher
sameagher@vorys.com
202.467.8842

The New gTLD Program

The domain name system is about to undergo a significant change that will directly affect trademarks owners. On June 20, 2011, the Internet Corporation for Assigned Names and Numbers (ICANN), the nonprofit corporation that oversees the domain name system, approved its "New gTLD Program." The Program expands the number of "generic top-level domains" (gTLDs), the three or more letters that appear to the right of the last "dot" in a domain name.

Examples of gTLDs include the familiar .COM, .NET, and .ORG domain extensions, which are 3 of the 22 gTLDs currently available, several of which are restricted or used for limited purposes. Instead of using a domain name such as COMPANY.COM or TRADEMARK.COM, a business will be able to create and control its own unique domain ending, i.e., .ANYTHING.

A trademark owner that successfully applies to operate a gTLD that corresponds to its name or brand can control who is eligible to register second-level domains within the new gTLD. While many new gTLDs will be used solely by the trademark owner for its own business purposes, others will be less restrictive and allow the general public to register domain names within the gTLD. A number of gTLDs will be operated for the benefit of a specific community and allow domain registrations by members of the community referred to by the gTLD.

The new gTLDs should encourage innovative business models and create new opportunities for trademark owners to connect with their customers. On the other hand, the launch of hundreds of new gTLDs may cause headaches for brand owners forced to monitor and enforce their trademark rights in each of the new gTLDs.

Application Process

The New gTLD Program will allow businesses and other public and private organizations (individuals and sole proprietorships are not eligible) to create and operate their own gTLDs, making available a virtually unlimited number of top-level domains. For example, we could see gTLDs for famous brands such as .APPLE; .COKE; .DISNEY; or .GOOGLE.

While most global brands have not disclosed their plans, some applicants have publicized their intent to apply for a new gTLD. Announced applications for new gTLDs include names that correspond to the applicant's trademark (.CANON and .HITACHI); geographic terms that relate to specific cities (.NYC and .BERLIN); and generic terms that target specific businesses categories or communities (.JEWELERS and .ECO).

ICANN plans to accept applications for new gTLDs from January 12, 2012 to April 12, 2012.

The application must be filed online and requires detailed information on the applicant's business and

proposed use of the gTLD and its financial, technical, and operational ability. The initial application fee is \$185,000 per gTLD. In addition, successful applicants must pay an annual fee of \$25,000 and bear the costs related to operating a “registry” - the master database of all domain names registered in the gTLD. In the event there is more than one qualified application for the same or similar gTLD, an auction will be held and the highest bidder’s application for the gTLD will move forward.

Trademark Protections

For trademark owners, the New gTLD Program contains rights protection mechanisms specifically created for trademark owners. The Program includes procedures for brand owners to protect their trademarks within new gTLDs and object to applications for gTLDs (and domain names registered in the new gTLDs) that are confusingly similar to their trademarks. In addition, gTLD operators must provide certain trademark protection services prior to launch of a new gTLD and during the initial period when domain name registrations within the gTLD are made available to the general public.

Trademark Clearinghouse

One of several trademark protection measures in the New gTLD Program is the creation of a “Trademark Clearinghouse,” a database and central repository for information on trademark rights where trademark owners can register their marks. National or regionally registered word marks, word marks validated or protected by a court, statute or

treaty and “other marks that constitute intellectual property” are eligible for inclusion in the database. The Trademark Clearinghouse will be consulted in carrying out the rights protection mechanisms required under the Program.

Getting Started

Applying for a new gTLD and operating a registry is a significant financial and technical undertaking and the application process and required documentation is substantial. If your organization is interested in applying for a new gTLD, we recommend starting the application as soon as possible. A number of companies have announced plans to offer registry services for applicants that wish to outsource the technical operation of a gTLD. If your organization plans to outsource the operation of registry services for a proposed gTLD, we advise contacting a service provider right away to discuss your plans.

How the Vorys IP Team Can Assist

The Vorys IP Team can help guide your organization through the application process, utilize the trademark protection and dispute resolution procedures available to protect your brands, and develop a strategy for defensive domain name registrations in the new gTLDs. At a minimum, brand owners should register important marks in the Trademark Clearinghouse and take advantage of the priority registration service for gTLDs relevant to their business or industry.

The details of the New gTLD Program are contained in a 350 page Applicant Guidebook, which contains the rules and policies for the New gTLD program.

This client alert is for general information purposes and should not be regarded as legal advice.