



Ready to object? Protecting your trademark in the new gTLD regime

With the gTLD application process back on track after a system glitch, and the applied for strings now known, counsel need to ensure that they are familiar with the immediate trademark protection mechanisms available to protect brands

The new global top-level domain (gTLD) application process has resumed after a schedule disruption, which was caused by a data security issue with the top-level domain (TLD) application system. Even if the Internet Corporation for Assigned Names and Numbers (ICANN) makes up for lost time by streamlining the next steps, live websites in the first of the new gTLDs are not expected until 2013; ICANN's batch processing means that TLDs in the later batches may not go live for another two years. In the meantime, while the new gTLDs are in the pipeline, we can expect to hear more details of the Trademark Clearinghouse (which is due to be overseen by Deloitte and IBM) and dispute procedures.

The larger-than-expected number of applications for the new gTLDs challenges the opinion that there is no demand for new domains. Many of us still live in a largely '.com' world. The general impression is that previous attempts to introduce new gTLDs, such as '.info' and '.biz', were a disappointment. Effective search engines - as well as browsers that search straight from the address bar - have reduced the importance of domain names.

However, the success of some country-code TLDs in making unconventional use of their domains provides a glimpse of the business opportunities that new gTLDs could bring to the online world. It is no exaggeration to say that TLDs are much like trademarks: their success is ultimately tied to the success of the product and good marketing. In turn, a good TLD or trademark is often the key to success.

But what if your business is not venturing towards the cyber frontier? This is a good time for brand owners to:

- revisit their trademark enforcement practices in the domain name area;
- assess the need for defensive second-level domain name registrations in each new gTLD; and
- adjust their domain name monitoring practices.

Past experience of new TLD roll-outs should be only the starting point. Brand owners should also review past domain name problems

and assess the results achieved through dispute resolution procedures - for example, the Uniform Domain Name Dispute Resolution Policy (UDRP) - and legal options, such as the anti-cybersquatting provisions in US trademark law.

Taking selective, pre-emptive steps may be a cost-effective way to reduce problems in future. Potential strategies could address all TLDs equally or target only specific new TLDs that pose the greatest interest or concern.

Information on the new gTLDs is mostly found in ICANN's Applicant Guidebook. This article provides an introduction to the new pre and post-delegation dispute resolution procedures and the Trademark Clearinghouse, with a focus on trademark-related provisions.

Pre-delegation dispute resolution

The new gTLD dispute resolution procedure addresses certain disputes that may arise before a new gTLD is approved, including string confusion and trademark confusion. Although not primarily a trademark issue, the question of how competing applications for identical or confusingly similar new gTLDs will be resolved is of general interest.

ICANN has a string similarity review process that is intended to prevent a new gTLD from being too similar to existing TLDs, reserved names and other applied-for TLD strings. In addition, existing TLD operators may object to an application based on string confusion; if the objection is successful, the application will be rejected.

Pursuant to the new gTLD dispute resolution procedure, an applicant may also object to another applicant's gTLD string based on string confusion. String confusion disputes will be administered by the International Centre for Dispute Resolution.

The panel's role is limited to determining whether there is a probability of user confusion; if so, both applications are placed in a contention set. Contending strings are resolved only towards the end of the evaluation, after the new gTLD applications for the contending strings have passed all preceding stages of the evaluation and dispute resolution processes. Current plans indicate that all applications in one contention set will be evaluated in the same batch. Only one TLD is expected to prevail from each set.

For new gTLD applications that were filed as community-based applications, there is the option of electing resolution through a community priority evaluation. This involves a scoring system based on specific criteria, such as whether there is a clearly delineated and organised pre-existing community and whether the string matches the name of the community.

All contention sets that are not resolved through negotiation or

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the community priority evaluation will proceed to an online auction.

The auction is expected to proceed by a series of bidding rounds, each with a set duration and a maximum bid. Each auction is expected to take no longer than one day.

Pre-delegation trademark objections to proposed new gTLDs

The procedure also allows trademark owners to object - before new gTLDs are approved - to applications for gTLDs that are confusingly similar to their trademarks. The disputes will be handled by WIPO and determined by panels of one or three panellists. The procedure requires each party (ie, each objector and the gTLD applicant) to pay a minimum filing fee of \$2,000 (or more for a three-person panel). In addition, they must submit the full cost, which is expected to be at least \$8,000 - again, the cost is higher if three panellists are involved. The latter sum will be refunded to the prevailing party once the dispute has been resolved.

Although the new procedure contains no factors or guidelines for panellists to decide legal rights objections, factors are set forth in Module 3 of ICANN's guidebook. Under Article 20 of the procedure, panellists may apply any rules or principles that they consider applicable.

Section 3.5.2 of the guidebook states that “the following non-exclusive factors” will be considered:

1. *Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector's existing mark.*
2. *Whether the objector's acquisition and use of rights in the mark has been bona fide.*
3. *Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the objector, of the applicant or of a third party.*
4. *Applicant's intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector's mark, or could not have reasonably been unaware of that mark, and including whether the applicant engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.*
5. *Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a bona fide offering of goods or services or a bona fide provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights.*

6. *Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been bona fide, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use.*
7. *Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and bona fide.*
8. *Whether the applicant's intended use of the gTLD would create a likelihood of confusion with the objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.”*

Article 16 of the procedure and the accompanying WIPO rules provide the parties with the option to negotiate a settlement. The parties may request a suspension of proceedings for up to 30 days (or longer in exceptional circumstances). If the parties elect to participate in mediation, WIPO's Mediation Rules apply; WIPO will generally waive its administration fee.

Post-delegation trademark objections against registry operator

Trademark owners will also have an opportunity to object to new gTLDs after approval. The burden for prevailing in a dispute at this stage will be higher. This is appropriate, considering that it arises at a later stage in the process, and that the objection is against not a single second-level domain, but rather an entire TLD or TLD registry's practice. Section 6.1 of the Trademark Post-delegation Dispute Resolution Procedure states: “A complainant must assert and prove, by clear and convincing evidence, that the registry operator's affirmative conduct in its operation or use of its gTLD string that is identical or confusingly similar to the complainant's mark, causes or materially contributes to the gTLD doing one of the following: (a) taking unfair advantage of the distinctive character or the reputation of the complainant's mark; or (b) impairing the distinctive character or the reputation of the complainant's mark; or (c) creating a likelihood of confusion with the complainant's mark. An example of infringement at the top-level is where a TLD string is identical to a trademark and then the registry operator holds itself out as the beneficiary of the mark.”

Under Section 6.2, the same post-delegation procedure also provides for objections to a registry operator's pattern or practice of selling second-level domains in a manner that capitalises on trademark infringements. This provision is intended to address affirmative bad-faith practices, not individual or unintentional

registrations of infringing second-level domains.

This post-delegation procedure allows for the possibility of discovery and a hearing. It also requires that the complainant provide prior notice to the registry and express willingness to meet and resolve the dispute. A panel that finds a violation of the post-delegation procedure “may recommend a variety of graduated enforcement tools against the registry operator”.

Trademark Clearinghouse and sunrise and trademark claims services

The guidebook includes provisions for the Trademark Clearinghouse - a central repository across new gTLDs for validated data on trademarks. Certain specific information, such as where to file and how much filing will cost, is unavailable; however, the clearinghouse module in the guidebook sets forth the expected eligibility and benefits.

The clearinghouse will provide trademark owners with two benefits during the pre-launch and early-launch periods of new gTLDs: the sunrise service and the trademark claims service (ie, a notification service by the registry of the trademark rights to second-level domain name applicants). Although recording trademarks with the clearinghouse is optional, the benefits may be worth the expense, not only for key marks in a portfolio, but also for less well-known marks.

Section 3.2 states that the clearinghouse is open to:

- nationally or regionally registered word marks from all jurisdictions;
- any word mark that has been validated through a court of law or other judicial proceeding; and
- other marks that constitute intellectual property.

Under Section 7, only word marks are eligible for the trademark claims and sunrise services.

To record trademarks, owners are required to submit a sworn statement that the trademark information is true and current and has not been supplied for an “improper purpose”. Furthermore, Section 3.8 states that the trademark owner has an affirmative obligation (at the risk of penalties) to notify the clearinghouse if a mark is abandoned, cancelled or assigned. Registrations with the clearinghouse will be for a limited period, with a renewal option.

The trademark claims service must be offered by new gTLD registry operators for at least the first 60 days of a new gTLD being open for general registration. During this period the registry operator will send a notice to the prospective registrant of trademarks in the clearinghouse database.

The notice includes the following statement: “If you have questions, you may want to consult an attorney or legal expert on trademarks and intellectual property for guidance. If you continue with this registration, you represent that, you have received and you understand this notice and to the best of your knowledge, your registration and use of the requested domain name will not infringe on the trademark rights listed below.”

If the domain name is registered, the registry operator will notify the owner of the trademark registered in the clearinghouse.

The sunrise registration service must be offered for at least 30 days before general registration. Details are still scarce, as the sunrise process and eligibility for registering domain names during the sunrise period will be determined by the registry operators.

It is expected that the clearinghouse will be responsible for validating and authenticating marks, including validation of the specimens submitted by trademark owners to prove use of their marks. There will also be a dispute resolution policy for addressing

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disputes during this phase; the clearinghouse is expected to be responsible for these functions.

Uniform Rapid Suspension System

Another addition to the cadre of dispute resolution policies is the Uniform Rapid Suspension System (URS), a draft of which is included in ICANN’s guidebook. The URS mirrors the UDRP, but states in Section 13 that a URS decision does not preclude other remedies, such as a UDRP application or a court claim.

Unlike the UDRP, the URS offers the remedy of suspension of the domain name, which will be redirected to resolve to a page about the URS. The registrant’s information will remain in the WHOIS record for the remainder of the registration period and no deletion, modification or transfer of the domain name will be permitted.

Another difference between the UDRP and the URS is the provision for penalties for abusive complaints. If a complainant is found to have filed two “abusive complaints” or one complaint containing a “deliberate material falsehood”, the complainant will be prohibited from using the URS for one year. If a complainant files two complaints containing a deliberate material falsehood, the complainant may be permanently barred.

The elements required to prevail under the URS are familiar, as they echo the UDRP. However, note the additional specificity in the first element:

“1.2.6 A statement of the grounds upon which the Complaint is based setting forth facts showing that the Complaining Party is entitled to relief, namely:

- 1.2.6.1. that the registered domain name is identical or confusingly similar to a word mark: (i) for which the Complainant holds a valid national or regional registration and that is in current use; or (ii) that has been validated through court proceedings; or (iii) that is specifically protected by a statute or treaty in effect at the time the URS complaint is filed. (a.) Use can be shown by demonstrating that evidence of use – which can be a declaration and one specimen of current use in commerce - was submitted to, and validated by, the Trademark Clearinghouse) (b.) Proof of use may also be submitted directly with the URS Complaint. and
- 1.2.6.2. that the Registrant has no legitimate right or interest to the domain name; and
- 1.2.6.3. that the domain was registered and is being used in bad faith.”

Non-exclusive circumstances demonstrating bad-faith registration and use are set forth in Paragraph 1.2.6.3:

“a. Registrant has registered or acquired the domain name primarily

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- for the purpose of selling, renting or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name; or*
- b. Registrant has registered the domain name in order to prevent the trademark holder or service mark from reflecting the mark in a corresponding domain name, provided that Registrant has engaged in a pattern of such conduct; or*
 - c. Registrant registered the domain name primarily for the purpose of disrupting the business of a competitor; or*
 - d. By using the domain name Registrant has intentionally attempted to attract for commercial gain, Internet users to Registrant's web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of Registrant's web site or location or of a product or service on that web site or location."*

Formal implementation of the URS and procedural details should become available before the new gTLDs go live.

Staying informed and planning ahead

This article covers only part of the new gTLD process. For example, there is the possibility of an objection from an independent objector, the government advisory committee or inter-governmental organisations. Additional rules and considerations

apply to geographical names and community-based gTLD applications.

Brand managers must keep themselves informed of new gTLD developments, especially if business goals include expansion to other domains, whether for websites, wireless platforms, portals or other services. It is vital to ensure early coordination with the business units responsible for such planning.

In the case of trademark portfolios grounded in bricks-and-mortar businesses, or for which the new gTLDs hold little interest for other reasons, the focus should be on brand protection. Given that second-level domains will become available in hundreds of new gTLDs, understanding the process and planning ahead will help to reduce the cost of enforcement. [WTR](#)

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