ICANN Round-Up: New Top-Level Domains, Trademark Protections, and the Impact to Trademark Owners

by

Mike Rodenbaugh

&

John Berryhill

California State Bar

I.P. Institute – Dana Point, CA November 12, 2011

# Mike Rodenbaugh





- Rodenbaugh Law counsels businesses regarding domain name, trademark, copyright, and other intellectual property transactions and disputes.
- Mike Rodenbaugh advises
  prospective registry operators,
  brand owners and other businesses
  with respect to new Top-Level
  Domains to be delegated by ICANN.

# John Berryhill

 Counsels domain name registrants, registrars and prospective registries on avoiding or defending, trademark, copyright, and other intellectual property claims

### What is ICANN?

Internet Corporation for Assigned

Names & Numbers

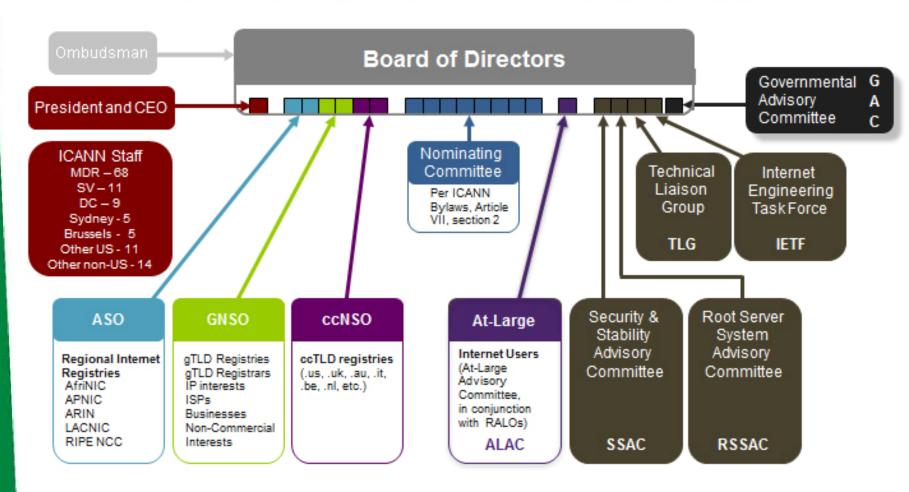
ICANN

- California Public Benefit Corp.
- Under contract to U.S. Department of Commerce since 1998 to maintain the "root zone"
- Multi-Stakeholder Policy Development

### **ICANN** mission statement

- ICANN Bylaws Article I, Section 1
- To coordinate, overall, the global Internet's system of unique identifiers, and to ensure stable and secure operation of the Internet's unique identifier systems. In particular, ICANN coordinates:
  - 1. Allocation and assignment of the three sets of unique identifiers for the Internet:
    - Domain names (forming a system called the DNS)
    - Internet protocol (IP) addresses and autonomous system (AS) numbers
    - Protocol port and parameter numbers
  - 2. Operation and evolution of the DNS root name server system
  - 3. Policy development reasonably and appropriately related to these technical functions

### ICANN Multi-Stakeholder Model



- 120 Staff; 4 Supporting Organizations; 6 Advisory Committees
- BOD: 16 voting Members; 5 non-voting liasons

Source: ICANN.org

## New Top-Level Domains

- Plan approved by ICANN Board on June 20
- Application window opens January 12
- 1000-1500 apps expected by Verisign and MarkMonitor; 2/3 from brandowners
- ICANN says they will only process in rounds of 500; and there is no prioritization plan
  - But they promise it will not be based on time application is filed, so long as filed by April 12
- First new gTLDs may be live January, 2013

### Market Demand for new TLDs?

- 1,000,000 registered in .co (Colombia)
- 864,000 in .pφ (IDN ccTLD for Russian Fed.)
- 525,000 in .me (Montenegro)
- 188,000 in .asia

- 8,000,000 in .info
- 2,000,000 in .biz
- 1,000,000 in .mobi

### Potential Domain Name Market

- Currently 210 million domains registered
  - 108 million in .com and .net
  - 82 million in country-code TLDs (50m in top ten)
  - 2% growth last quarter; 8% in past year
- Currently approaching 7 billion people in the world, more than 2 billion internet users
  - Up from just 360 million at end of year 2000
  - Only 30% of people are currently internet users
  - Only a small percentage of them own domains

### **IDN TLDs launched in 2010**

Script	Language	<b>SLD.TLD</b> U-labels	SLD A-label	TLD A-label
Arabic	Arabic	مثال إختبار	xnmgbh0fb	xnkgbechtv
Arabic	Persian	مثال آزمایشی	xnmgbh0fb	xnhgbk6aj7f53bba
Chinese, simplified	Chinese	例子.测试	xnfsqu00a	xn0zwm56d
Chinese, traditional	Chinese	例子.測試	xnfsqu00a	xng6w251d
Cyrillic	Russian	пример.испытание	xne1afmkfd	xn80akhbyknj4f
Devanagari	Hindi	उदाहरण.परीक्षा	xnp1b6ci4b4b3a	xn11b5bs3a9aj6g
Greek	Greek	παράδειγμα.δοκιμή	xnhxajbheg2az3al	xnjxalpdlp
Hangul	Korean	실례.테스트	xn9n2bp8q	xn9t4b11yi5a
Hebrew	Yiddish	בײַשפּיל.טעסט	xnfdbk5d8ap9b8a8d	xndeba0ad
Kanji Hirigana, and Katakana	Japanese	例え.テスト	xnr8jz45g	xnzekzah
Tamil	Tamil	ഉதூரணம்.பரிட்சை	xnzkc6cc5bi7f6e	xnhlcj6aya9esc7a

### **IDN** ccTLD facts

• First four became available in May, 2010

امارات. :United Arab Emirates

Saudi Arabia: السعودية.

Egypt: مصر

Russian Federation: .pф

- 27 countries passed ICANN evaluation
- 20 of them have launched 30 strings
- 13 enabled for native viewing by Mozilla
- Only minimal registration and use to date



### .XXX

- Approved (finally) by ICANN in April, 2011
- Sunrise period September 7 to October 28, 2011
- Currently in 'Landrush' period for 'Sponsored Community' applicants until Nov. 25
  - Competing applications go to auction
- 'General Availability' begins December 6
  - First come, first served
- Registration fee is high \$200-\$300 each



# Los Angeles Times

BUSINESS GO LOCAL U.S. WORLD SPORTS ENTERTAINMENT HEALTH LIVING TRAVEL OPINION Search MONEY & CO. TECHNOLOGY PERSONAL FINANCE SMALL BUSINESS COMPANY TOWN JOBS REAL ESTATE CARS

YOU ARE HERE: LAT Home → Collections → Business

ADS BY GOOGLE

#### Domain Name Registration

Register Your Domain for Free When You Purchase a Hosting Plan Today!

www.Verio.com/Domains

#### ADVERTISEMENT



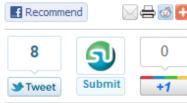
#### ICANN to let thousands of domain names bloom

The group that governs Internet domain names is opening up the system far beyond the 22 existing suffixes so that companies and organizations can apply to create their own versions of .com, .org or .gov.

June 21, 2011 | By David Sarno, Los Angeles Times

Move over, dot-com - get ready for dot-anything.

The group that governs Internet domain names is opening up the system so that companies and organizations can apply to create their own versions of .com, .org or .gov. Under the new rules, instead of a coke.com, Coca-Cola might control the domain .coke and assign Web addresses such as drink.coke or bottle.coke.





Executive Rod Beckstrom... (Roslan Rahman,

AFP/Getty Images)

# Known Supported newTLDs

#### **Regional gTLDs**

- africa (two initiatives)
- .bayern (Bayern/Bavaria)
- .bzh (Brittany)
- .cym (Wales)
- .eng (England)
- .gal (Galicia)
- .ker (Cornwall)
- .lli (Leon)
- .lat (Latin America)
- .med (Mediterranean)
- .que (Quebec)
- .sco (Scotland)
- .vla (Flanders
- .yks (Yorkshire)

#### **Industry gTLDs**

- .health
- .movie
- .music (several initiatives)
- sport (two initiatives)
- .xxx (adult)
- .web (many initiatives)
- .food
- .bank
- .eco (2 submissions)
- .love
- .games

#### **Charitable gTLDs**

- .eco (Ecological)
- .green (Ecological)
- .fam (two initiatives)

#### City gTLDs

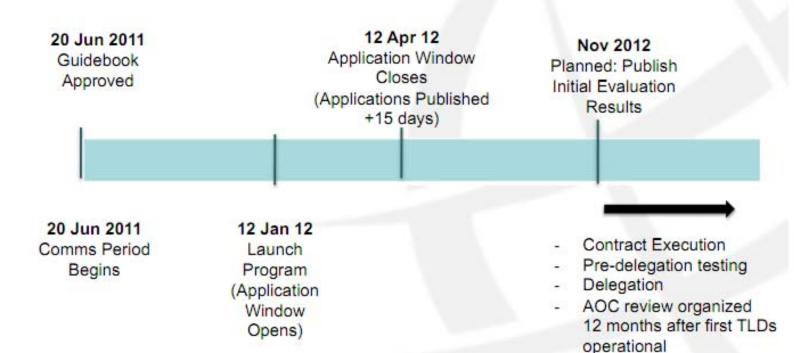
- .nyc
- .sfo
- .paris
- .hamburg
- .berlin
- .bcn (Barcelona)
- .london
- .köln
- .roma
- .pdx

#### **Brand**

- .canon
- .hitachi
- .deloitte

[Source: MarkMonitor]

#### New gTLD Program Timeline





# **New TLD Applications**

- "50 Questions": proposals expected to be at least 100 pages
  - Operational information
  - Policy information
  - Technical information
  - Financial information
- Must prove three years' operating reserve
- Must have back-end registry provider
- Must accept ICANN standard contract

# ".brand" Opportunity

- Security you own and control the TLD, can register to anyone you choose
  - No domainers, squatters or phishers?!
- Marketing create a global community centered on your branded or generic TLD
  - Be one of the first in your industry?
  - Own a key vertical slice of the DNS?
  - Develop new products?

### ".brand" Risks

- Switching from .com marketing and consumer mindset will take time and money
- ICANN process
  - first-come, first-served; hefty application fee
  - potential objections and increased costs
- Operating a TLD
  - 10-year, standard contract, consensus policies
  - regular ICANN fees, reports and policy work
  - ongoing cost for operations and marketing
  - potential legal exposure to registrants?
  - must use ICANN-accredited registrars?

### TLDs as Trademarks?

- TLDs <u>are</u> used as marks of registry operators
  - Many are registered in the USPTO and elsewhere
  - Many have been denied registration in the USPTO and elsewhere, for mere descriptiveness
- .MUSIC case currently pending at TTAB, oral argument was May 24<sup>th</sup>
- ICANN registry agreement, Sec. 7.11:
  - Ownership Rights. Nothing contained in this Agreement shall be construed as establishing or granting to Registry Operator any property ownership rights or interests in the TLD or the letters, words, symbols or other characters making up the TLD string.



Home

Profile

Contacts

Groups

Jobs

Inbox 8

Companies

News

More

Groups \*



#### Top Level Domains

Discussions

Members

Promotions

Jobs

Search

More...

NEW Restart your old discussions with one click. Browse your archived discussions »





Jean Stop Following

.GAME Top-Level Domain application in danger? Registered Trademark.



5 days ago

.GAME: Top-Level Domains ALERT guillon.info

This blog alerts and informs about every new generic Top-Level Domain project (new gTLD). By Jean Guillon.







Matt Harper • We have owned DotGames® since 2008. We will defend our registered marks worldwide. Obviously, we were expecting these trademark application attempts.



More ▼

2 comments



2 days ago

Follow Matt

### newTLD Risks to TM Owners

- Increased need for defensive registrations and/or anti-cybersquatting budget
- Increased space for phishers and other criminal actors to exploit
- Increased consumer confusion and reliance on search engines – Google gets bigger?!
- Potential newTLD/brand conflict, and/or newTLD edge to your competition?
  - Several years until next application window
  - Future apps may conflict with any new TLD

# **Required RPMs**

- Trademark Clearinghouse database
  - For all Sunrise periods
  - IP Claims service for at least 60 days post-launch
- "Thick WHOIS" model (registry-level)
- Zone File Access Agreement
- Uniform Rapid Suspension (URS) Procedure
- UDRP
- Post-Delegation Dispute Resolution Policy
- All ICANN Consensus Policies

## **Trademark Clearinghouse**

- Rights owner pays a fee and submits data.
- Data is validated initially and then every year.
- Data then pushed to new gTLD registry operators or pulled by registries or registrars to support applications such as:
  - Watch Service will notify rights owners of applications for terms corresponding to marks at top and second levels;
  - Trademark Claims Service will notify applicants and trademark owners that a current validated right exists on a term being applied for;
  - Uniform Rapid Suspension ("URS") for domain names that infringe IP rights or support malicious behaviors;
  - Sunrise submission of data to registries during Pre-Launch rights protection procedures ("one-stop shop" for TM owners)

# **Trademark protection**

- Top level: Objection procedure if new TLD would infringe legal rights (hard to prove!?)
- Second level IP Claims Service
  - Notice to domain applicants of rights validated in the Trademark Clearinghouse
  - Notice to owners of those trademarks, only of direct matches to registered text marks
  - Registration NOT blocked, but applicant must "opt in" after notice, and make warranties that use will be legitimate and WHOIS accurate

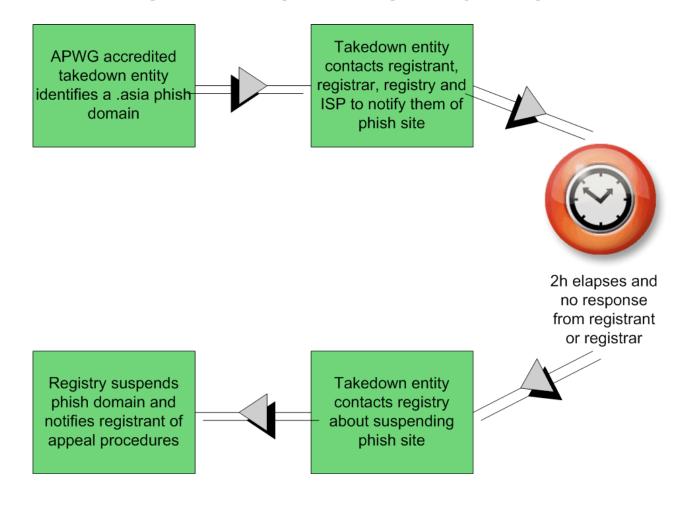
# **Uniform Rapid Suspension**

- Clear-cut cases of trademark abuse, balancing against potential abuse of process
- Same substantive UDRP standards apply, except "clear and convincing" burden of proof
- Complaint filed; domain locked but operating
- Email, fax & certified mail to registrant
- Notice to registrar
- Registrant has 20 days from first email to answer
- Default or Judgment = Domain Suspension
  - Transfer of infringing domain NOT possible
- Either party may appeal for de novo review

# **Uniform Rapid Suspension**

- Final Examination: complaint must prove by "clear and convincing evidence" that there is no contestable issue
  - "decision in most cases could be completed in 15 minutes"
  - if not, then UDRP or court action
- Appeal via "Default Answer", request for reconsideration, and/or filing court action
- "Abusive Complaints" if 2 of them or 1 "falsehood", then ban on use of URS for one year

# Process Flow: Registry Suspension of Phish Domains



# Is This Really Going To Happen?

- Major Advertising Associations and Some Brands (ANA, Coca-Cola, Burger King, GE, Pocatello Advertising Council
- Some Governments
- Domain Speculators

### Questions??



- mike@rodenbaugh.com
- (415) 738-8087
- <a href="http://rodenbaugh.com">http://rodenbaugh.com</a>