

ICANN's Proposal for New Generic Top Level Domain Names

Introduction

There has been considerable debate over the past few years over whether to allow a significant increase in the number of generic-type Top Level Domains. Generally, Top Level Domains (“TLDs”) follow the last period in a domain name, e.g., .com in Amazon.com and .ly in bit.ly.¹ Country-code Top Level Domains (“ccTLDs”) currently include well-known designations such as .us; .uk; .de; .cn; and so forth, and (as the name suggests) are typically tied to a particular country or geographic region (e.g., .ly is the ccTLD for Libya).² In contrast, generic-type TLDs (“gTLDs”) include designations that are not necessarily tied to any particular country, such as .com; .org; .gov; and .edu.³ There are currently 22 gTLDs.⁴ On June 20, 2011, the Internet Corporation for Assigned Names and Numbers (“ICANN”), which manages all TLDs, took a major step towards increasing the number of gTLDs by approving the “New gTLD Program.”⁵ This program will allow public or private organizations to apply for and create virtually any gTLD of their choosing, thus allowing a potentially unlimited number of gTLDs.⁶ However, the program may also increase the potential for abuse by creating new avenues for trademark infringement and cybersquatting.

This article provides an analysis of the implementation of the New gTLD Program, a description of the existing and new procedures implemented by ICANN for controlling trademark infringement, and a discussion of the differing viewpoints by the proponents and opponents of this new program.

Trademark Protection Under the New gTLD Program

There are multiple filtering features that ICANN plans to implement in order to control cybersquatting of gTLDs and stem the influx of applications. First, the program includes a vigorous screening process consisting of an initial evaluation and a background screening.⁷ The initial evaluation will include an analysis of the similarity of proposed gTLDs to existing TLDs, reserved TLDs, and other geographic names.⁸ Further, research will be done on the background of the applicant to determine its technical, operational, and financial capability to operate a gTLD.⁹ This background screening will inquire into the general business diligence and criminal history of the applicant, and any history of cybersquatting behavior by the applicant.¹⁰ In addition, ICANN plans to implement a Dispute Resolution Procedure through which a person or entity will have the ability to object to an application for a new gTLD.¹¹

Further, an existing program called the Uniform Domain Name Dispute Resolution Policy (“UDRP”) will continue. The UDRP program provides a process for trademark owners to redress the infringing use of second-level domain names (e.g., “Amazon” in Amazon.com) within all gTLDs.¹² To obtain relief under this program, a complainant must prove that “1) the complainant had a valid trademark at the time the respondent registered the allegedly infringing domain name, 2) the respondent’s domain name is identical or confusingly similar to the complainant’s trademark, and 3) respondent

registered and used the domain name in bad faith.”¹³

Moreover, under the New gTLD Program, ICANN proposes to offer trademark owners an additional option to protect themselves: the Uniform Rapid Suspension System (“URS”).¹⁴ The URS will offer trademark owners a quick and relatively low-cost procedure to suspend infringing second-level domain names.¹⁵ The requirements are fairly similar to those of the UDRP—relief is provided if 1) “the registered domain name is identical or confusingly similar to a word mark,” 2) “the registrant has no legitimate interest to the domain name,” and 3) “the domain was registered and is being used in bad faith.”¹⁶

There are two major differences between the URS and UDRP. First, the URS only *suspends* the domain name by the registry, whereas the UDRP will cancel or transfer the domain name to the trademark owner.¹⁷ Second, the burden of proof for a URS proceeding is one of “clear and convincing” evidence while the UDRP only requires a “preponderance of evidence.”¹⁸ Accordingly, trademark owners who find their marks infringed by second-level domain names within a new gTLD will have to determine whether they want suspension (URS), transfer (UDRP), or both before initiating a procedure.¹⁹

Proponents’ Viewpoint of the New gTLD Program

Proponents of the New gTLD Program believe it will offer opportunities for brand owners to better control their marketing and security strategies.²⁰ Most of the proponents are economists who believe that a greater number of gTLDs will foster creativity and flexibility among major corporations in building their brands and marketing themselves online.²¹ The belief is that multiple web addresses will help to create a more exclusive brand that may become more recognizable to consumers.²² As a result, improved branding will provide better security against cybersquatters, thus hindering infringement on a company’s name.²³ Finally, proponents believe this program will reduce phishing, spamming, inflated domain name prices on the secondary market, and trademark confusion.²⁴

Opponents’ Viewpoint of the New gTLD Program

It seems that most large corporations are skeptical of the New gTLD Program.²⁵ For example, companies such as Verizon Communications, Marriott International, and New York Life Insurance initially believed that “new domain extensions could open the flood gates to Internet fraud and drastically increase their costs of doing business online.”²⁶ For the most part, concerns with the New gTLD Program have been voiced by multi-national and well known businesses, which is not surprising because small- and medium-sized companies are not as concerned about changes that impact worldwide brand recognition.²⁷



Many larger companies are concerned that they will need to purchase many brand-specific domains to save themselves from future cybersquatting. Moreover, they have concerns that bidding wars may develop for control over certain generic domain names, perhaps such as .shoes or .phones.²⁸ Also, the transition may be difficult for consumers because web users are not accustomed to using sites such as, for example, .marriott or .nylife. Therefore, companies will undertake a significant risk when they spend vast resources to create their own specific domain names.²⁹

Furthermore, the cost to register these new domains will not be insignificant. Specifically, registration of a new domain will require \$185,000 in application fees, an annual fee of \$25,000, and the additional ongoing costs of owning, operating, and maintaining the domain.³⁰ Therefore, some entities view this new proposal as simply a “money making scheme” benefitting ICANN.³¹ Finally, opponents believe the new proposal may increase the potential for fraud because “actors will use the expanded gTLD space to register domain names using well known trademarks, or variations on such trademarks, and that those sites will be used to defraud consumers, and harm the value of the infringed upon brand.”³² Notwithstanding their concerns, large companies have been preparing for this program in order to put themselves in a position to make the best of the situation.³³

Conclusion

Only time will tell whether the New gTLD Program proves beneficial for trademark owners or whether it will merely complicate the current battle against cybersquatting and brand deterioration. The political consequences will also be interesting due to the opposition to the proposal by many larger companies. The changes may dramatically reduce future cybersquatting and improve brand marketing, cause consumer confusion and create a difficult transition, or result in a combination of both of these effects. ICANN has tremendously helped protect domain names since its creation, and one must hope that this new proposal will continue to provide a positive impact on legitimate companies and the Internet world.

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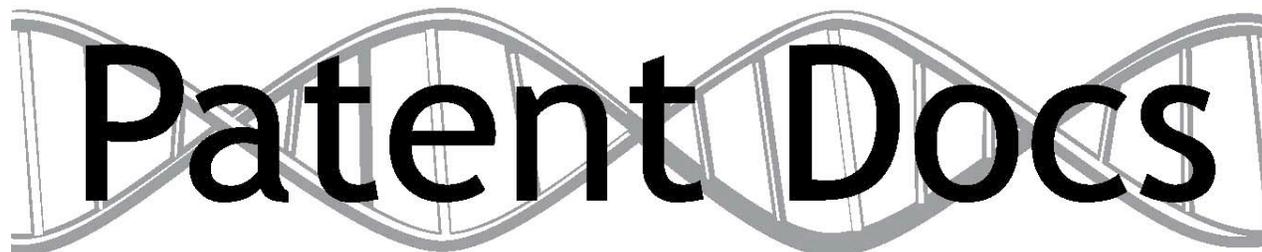
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Endnotes

1. See Internet Corp. for Assigned Names and Nos., Top Level Domains, <http://www.icann.org/en/tlds/> (last visited Aug. 17, 2011).
2. *Id.*
3. *Id.*
4. Internet Corp. for Assigned Names and Nos., gTLD Applicant Guidebook (2011), available at <http://www.icann.org/en/topics/new-gtlds/rfp-clean-30may11-en.pdf> [hereinafter *gTLD Applicant Guidebook*].
5. Internet Corp. for Assigned Names and Nos., ICANN Approves Historic Change to Internet's Domain Name System (June 20, 2011), <http://www.icann.org/en/announcements/announcement-20jun11en.htm>. See generally Internet Corp. for Assigned Names and Nos., New gTLD Program, <http://www.icann.org/en/topics/new-gtld-program.htm> (last visited Aug. 17, 2011).
6. Applicants will be allowed to submit an unlimited number of applications during the initial application period, which will open January 12, 2012 and will close three months later on April 12, 2012. ICANN's goal is to add the first new gTLDs to the DNS registry by late 2012 or first quarter of 2013. Internet Commerce Ass'n, Approved New gTLD Applicant Guidebook Maintains Critical Distinctions Between URS and UDRP, <http://www.internetcommerce.org/node/276> (last visited Aug. 17, 2011) [hereinafter Internet Commerce Ass'n].
7. *gTLD Applicant Guidebook*, *supra* note 4, at 1-8.
8. *Id.* at 2-4 to 2-19.
9. *Id.* at 2-20 to 2-21.
10. *Id.* at 2-1 to 2-3.
11. *Id.* at 1-11.
12. Sarah Silbert, *Using a UDRP Action to Prevent Infringing Uses of Domain Names*, L.A. L^{AW.}, Feb. 2008, at 10, available at [http://www.lacba.org/Files/LAL/Vol30 No11/2454.pdf](http://www.lacba.org/Files/LAL/Vol30%20No11/2454.pdf); Internet Corp. for Assigned Names and Nos., New gTLDs — Frequently Asked Questions, <http://www.icann.org/en/topics/new-gtlds/strategy-faq.htm> (last visited Aug. 17, 2011) (“[A]ll new gTLDs must ensure that second-level registrations are subject to ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP)....”).
13. Silbert, *supra* note 12, at 10.
14. New gTLDs: Uniform Rapid Suspension System (URS), http://www.newdomains.org/news/New_gTLDs_Uniform_Rapid_Suspension_System_URS (last visited Aug. 17, 2011) [hereinafter Uniform Rapid Suspension System].
15. *Id.*
16. *gTLD Applicant Guidebook*, *supra* note 4.
17. See Uniform Rapid Suspension System, *supra* note 14.
18. See Internet Commerce Ass'n, *supra* note 6.
19. See Uniform Rapid Suspension System, *supra* note 14.
20. McGuire Woods LLP, ICANN Opens Domain Naming Process to the General Public, <http://www.mcguirewoods.com/news-resources/item.asp?item=5956> (last visited July 1, 2011).
21. *Id.*
22. *Id.*
23. *Id.*
24. Roger Bora, Trademark Titan Blog, ICANN's Proposal for New Generic Top Level Domain Names: Should All Brand Owners be Concerned? (Feb. 6, 2010), available at <http://trademarktitan.blogspot.com/2010/02/icann-proposal-for-newgeneric-top.html>.
25. *Id.*
26. Michael H. Berkens, TheDomains.com, WSJ: Companies are Protesting New Domain Extensions (Nov. 4, 2008), available at <http://www.thedomains.com/2008/11/04/wsj-companies-areprotesting-new-domain-extensions/>.
27. See Bora, *supra* note 24.
28. See Berkens, *supra* note 26.
29. *Id.*
30. See McGuire Woods LLP, *supra* note 20.
31. See Bora, *supra* note 24.
32. Sandra Aistars, Copyright Alliance, Proposal for New Internet Domains Raises Questions for Consumers,

Copyright Owners (May 4, 2011), *available at* <http://blog.copyrightalliance.org/2011/05/proposalfor-new-internet-domains-raises-questionsfor-consumers-copyright-owners/>.

33. Antony Van Couvering, Minds & Machines, "Thin Brand Line" Breaks as Canon Announces Plans for .CANON (Mar. 16, 2010), *available at* <http://www.mindsandmachines.com/2010/03/thinbrand-line-breaks-as-canon-announcesplans-for-canon/>.

A stylized, light gray graphic of a DNA double helix structure, consisting of two intertwined strands connected by vertical rungs, serving as a background for the main title.

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