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## ICANN's gTLD Expansion Plan: Fashion Your Own Custom Domain

In June 2006, the Internet Corporation for Assigned Names and Numbers (ICANN) approved a plan that will allow private parties to create custom online domains. These domain names may be anywhere from 3 to 63 characters long and in nearly any alphabet, such as Arabic or Chinese. The Internet currently operates using 12 generic top-level domains (gTLDs) to direct traffic. The more common gTLDs include .com, .org, and .gov, of which "dotcom" is by far the most popular. The draft plan was released for an open comment period from October 24-December 15, 2008. There was a strong public reaction during the comment period, much of it negative. In response, an amended plan was released on February 18, 2009, with a comment period through April 13, 2009.

The revision addresses many of the perceived problems of the original plan and includes changes to the application fee structure and dispute resolution process. However, one critical issue -- trademark protection -- was not addressed. Recognizing that trademark rights will be substantially impacted, ICANN announced the formation of an Implementation Recommendation Team (IRT) dedicated to devising solutions to the intellectual property issues created by the gTLD expansion plan. The IRT's preliminary report has been posted for a thirty (30) day comment period, closing May 24, 2009.

The implications for trademark owners under the existing plan are myriad, both pro and con. On the positive side, many current problems with internet overcrowding could potentially be alleviated through creation and use of new, industry-specific TLDs. A persistent problem for trademark owners in cyberspace is the conflict between similar but equally valid marks. Until now, the coveted dotcom domain has gone in a first-come, first-served fashion; where the first to arrive has a valid right to use the mark, those arriving late to the party have been forced to settle for some variation of their own mark. The opportunity for members of an industry such as the fashion industry to band together and create a new domain just to serve their own people is an interesting prospect. Someone could create ".fashion" or ".designs" and then sell space in that domain only to qualified members of the industry. Assuming the public embraces the new Internet, holders of non-competing but similar marks could each use their mark in their domain name without conflict.

Unfortunately, the plan also gives rise to significant potential pitfalls for mark holders. Trademark owners are already required to be ever vigilant in defending their marks against

infringement, cybersquatting, and other types of online encroachment. Under this regime, the burden of policing not only remains on the mark holder, but will increase exponentially. With every new gTLD comes proliferation of new infringing and/or confusing domains. While ICANN's rules do prohibit infringement, they will not screen proposed domains for infringing use or verify ownership of marks. Mark owners will have to monitor applications and assert timely objections to potentially infringing new domains. Incidentally, each filing carries a fee of \$1,000 - \$5,000, which may deter enforcement of rights. Furthermore, organizations that can afford it might be compelled to purchase TLDs that they don't particularly need or want, as a preemptive move against competitors and would-be cybersquatters. This would require substantial expenditures of both time and money, and the minimal restrictions on new domain names make guarding against all potential infringements impossible.

The preliminary report of the IRT proposes solutions to some of these dangers, most of which will be channeled through the creation and operation of an IP Clearinghouse. For a fee, mark holders can have their information added to a central database, subject to initial and annual validation of the right asserted. The IP Clearinghouse will then make that information available to new applicants, registry administrators, and ICANN itself, ideally reducing the overall costs and burdens associated with creation and maintenance of new domains. Other proposed functions of the IP Clearinghouse include: a watch service (which would alert mark owners of potentially infringing applications), a Uniform Rapid Suspension System (for infringing or otherwise malicious domains), and a Globally Protected Marks List (which would automatically block applications for qualified marks). Another significant proposal relates to the shifting of costs and fees for unsuccessful applications. This would allow a legitimate mark holder to (theoretically) recoup any expenses incurred in challenging potentially infringing applications. Incorporation of the IRT proposals in to the expansion plan will significantly minimize many of the risks discussed above.

On the whole, the expansion plan appears to be a lucrative opportunity for ICANN, but a largely unnecessary distraction for businesses. However, the fact remains that the current internet model gets more outdated every day and, at some point, changes will have to be made. Operating under the new regime will most certainly require trademark holders to analyze whether offensive and defensive registration will be necessary, though until ICANN definitively responds to the ultimate concerns of mark owners, development of specific strategies will have to wait. At this point trademark owners should simply monitor developments in this area and time will tell what comes next. Details of plan revisions and comment procedure can be found at [www.icann.org](http://www.icann.org).