

INTELLECTUAL PROPERTY  
ALERT

MARCH  
2014

## NEW GENERIC TOP-LEVEL DOMAINS WILL CREATE NEW TRADEMARK ISSUES: THE TRADEMARK CLEARINGHOUSE CAN HELP

By Ronald J. Ventola II and Christine E. Weller\*

A top-level domain is the part of an Internet address appearing to the right of the last period. A *generic* top-level domain (gTLD) is a top-level domain that is not a geographic or national designation—“.com,” “.org,” and “.net” are gTLDs. Formerly gTLDs were limited to a relatively short list of three-letter combinations, but the Internet Corporation for Assigned Names and Numbers is in the process of freeing gTLDs from those restrictions. The new gTLDs open up endless possibilities for new domain names—and new opportunities for infringement and cybersquatting of trademarks. As new gTLDs are being approved and opened to the public, the Trademark Clearinghouse has been established to help trademark owners protect their trademarks from infringers and cybersquatters in the new gTLDs.

### New Generic Top-Level Domains Have Been Approved This Year, and More Are Coming

Earlier this year, the first new batch of new gTLDs opened, allowing web addresses ending in “.bike,” “.clothing,” “.guru,” “.holdings,” “.plumbing,” “.singles,” and “.ventures.” More new gTLDs are expected by the end of the year. Although the release of new gTLDs expands the market for domain names and makes domain names more descriptive, each new gTLD creates potential problems for trademark holders—namely, infringement and cybersquatting in each new gTLD.

New gTLDs create infringement and cybersquatting issues because each new gTLD allows any second-level domain name—for example, “mytrademark” in “mytrademark.com”—to be registered in the new gTLD. Regardless of a trademark holder’s prior use of a mark, when a new gTLD opens, the trademark owner faces a new race to register its trademark in the new gTLD. Otherwise, the trademark owner faces the possibility that infringers or cybersquatters will register the trademark as a second-level domain name

in the new gTLD—for example, mytrademark.mobile, mytrademark.clothing, and so on.

There is a new race to register a trademark in each new gTLD because if an application to register a second-level domain name in one of the new gTLDs meets technical and operational criteria, it will be approved. The standard registration process for second-level domains does not include a screening mechanism to prevent wrongful registrations—not even an infringer’s or a cybersquatter’s registration of a domain name identical to another person’s registered trademark. And if a second-level domain name corresponding to a trademark holder’s mark draws enough traffic to an infringing or cybersquatting site in one new gTLD, the trademark holder can expect to face the issue again as other new gTLDs are approved.

### The Trademark Clearinghouse Can Help Trademark Holders Address Issues in New Top-Level Domains

The Trademark Clearinghouse has been established to help trademark holders deal with issues in new gTLDs. It provides two types of services that, although narrow in scope, can be useful: “sunrise services” for a period just before the opening of each new gTLD, and “claims services” that continue beyond the sunrise period.

*Sunrise Services.* If a trademark holder registers its marks with the Trademark Clearinghouse, the trademark holder has the right, during the 30-day “sunrise” period before second-level domain names in each gTLD are offered to the public, to apply to register each second-level domain name that is identical to one of the holder’s registered marks. The trademark holder will also receive notice if anyone else registers a second-level domain name matching the holder’s mark during the sunrise period. If the trademark holder is the only person who has registered a particular trademark with the Trademark Clearinghouse,

\* Christine E. Weller is a legal intern, not admitted to practice.

(continued on page 2)

---

*(continued from page 1)*

sunrise services will allow the trademark holder to register second-level domain names matching that mark in each new gTLD that opens.

Sunrise services apply only to exact matches of the holder's trademarks. Sunrise services thus are too narrow to replace a trademark holder's monitoring of Internet activity for potential infringement and cybersquatting. But for the owner of a trademark that is likely to be targeted by infringers or cybersquatters, obtaining the second-level domain names that match the mark can be a valuable benefit.

*Claims Services.* When an applicant seeks to register a second-level domain name that matches a mark registered with the Trademark Clearinghouse, the Clearinghouse will send a warning notice to the applicant. If, despite receiving the notice, the applicant registers the domain name, then the Trademark Clearinghouse will notify the trademark holder. At that time, the trademark holder can take whatever action it chooses—for example, seeking transfer of the domain name under the applicable Uniform Dispute Resolution Procedure, or filing a lawsuit for infringement or cybersquatting.

As with the sunrise services, claims services apply only to domain names that exactly match a particular trademark. Claims services thus work to supplement—not to replace—other forms of trademark monitoring.

*Using the Trademark Clearinghouse.* Trademark holders obtain sunrise services and claims services by registering their marks with the Trademark Clearinghouse online at <http://www.trademark-clearinghouse.com>. The trademark holder (owner or licensee) must submit proof of use of the mark, as well as background information comparable to the requirements for a federal registration in the U.S.—ownership, goods and services, and the like. The Trademark Clearinghouse charges \$150 per mark, per year for these services. Bulk pricing is available for those who own larger portfolios.

---

## Conclusion

The list of approved gTLDs will continue expanding over time, creating new trademark issues along the way. Trademark holders thus would be wise to evaluate the value of the services provided by the Trademark Clearinghouse, especially the ability to register their trademarks in new gTLDs before infringers and cybersquatters can do so.

Schnader attorneys can help you decide whether to register your marks with the Trademark Clearinghouse. We also can help you register your marks and take action in response to notices from the Trademark Clearinghouse. We handle a broad range of trademark matters, involving trademark usage both on the Internet and in the brick-and-mortar world. ♦

*This summary of legal issues is published for informational purposes only. It does not dispense legal advice or create an attorney-client relationship with those who read it. Readers should obtain professional legal advice before taking any legal action.*

*For more information about Schnader's Intellectual Property Practice Group or to speak to a member of the firm, please contact:*

*Ronald J. Ventola II  
215-751-2358  
rventola@schnader.com*

*Ronald E. Karam, Co-Chair  
215-751-2364  
rkaram@schnader.com*

*Joan T. Kluger, Co-Chair  
215-751-2357  
jkluger@schnader.com*