Intellectual Property Client Service Group

To: Our Clients and Friends June 30, 2011

ICANN Approves Process To Apply For Dot-Anything Domain Names

Following three years of intense discussions, commentary, and numerous reports, on June 20, 2011, the Internet Corporation for Assigned Names and Numbers (ICANN)—the body overseeing the Internet—approved a process to register virtually any combination of letters as a generic top-level domain name (gTLD). A gTLD is the string of letters that follows the "dot" or "." in an Internet domain name, such as ".com" and ".net," among others. Under the approved process, applicants may now seek ownership of gTLDs for trademarks, product names, geographic locations, and any other term, such as ".bryancave," ".movies," and ".newyork." The approved process largely tracks ICANN's original proposal from 2008, and ICANN has stated that its goal is to bring "more innovation, choice and change to a global Internet."

ICANN will begin accepting no more than 500 applications for proposed new gTLDs from January 12, 2012, through April 12, 2012. Several key features of this new process are detailed below:

- Application Types: Each applicant must designate its proposed gTLD as "open" or "community-based." An "open" gTLD is one that can be used for any purpose. A "community-based" gTLD is one that is operated for a defined community comprised of a specific population. For the latter type, the applicant must substantiate its status as a representative of that community.
- Evaluation: An applicant will be required to provide information not only about the proposed gTLD but also about the applicant's capability to operate a domain name registry. Although not all required information will be published, such information includes financial data about the applicant's current and projected operations as well as detailed technical information about how the gTLD will be managed. The applicant must also set forth procedures to ensure that any associated second level domain ("example" in "example.com") registered under that gTLD does not violate another's intellectual property rights. Among other things, the applicant must enable participation in the Uniform Domain Name Dispute Resolution Policy ("UDRP") and utilize a trademark clearinghouse to investigate names.
- <u>International Characters</u>: An applicant may propose gTLDs containing Chinese, Arabic, and any other non-Latin characters.

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- <u>Costs</u>: ICANN has set an application fee of U.S. \$185,000, plus annual renewal fees. Under some circumstances where multiple applicants seek the same gTLD, ICANN may auction the gTLD to the highest bidder. It should be borne in mind that ICANN's fees neither include the costs associated with setting up and running a domain name registry nor the costs of litigation in the event of a challenge to the gTLD.
- <u>Examination of IP Rights</u>: ICANN's application process does not include an examination of whether
 a proposed gTLD infringes on another's intellectual property rights, such as trademarks. Instead,
 ICANN assumes that individual rights holders or parties with sufficient interest will object through a
 formal dispute resolution process.
- <u>Dispute Resolution</u>: Once ICANN publishes proposed gTLDs for public comment, non-applicants may pay a fee to be set by a dispute resolution provider, and the nature of the third-party objection will govern which dispute resolution provider presides.
 - String Confusion Objections: Objections claiming that the new gTLD is confusingly similar to an existing gTLD or applied-for gTLD will be heard by the International Centre for Dispute Resolution.
 - <u>Legal Rights Objection</u>: Objections claiming that the new gTLD infringes a trademark holder's brands will be heard by the Arbitration and Mediation Center of the World Intellectual Property Organization.
 - <u>Limited Public Interest Objection</u>: Objections claiming that the new gTLD violates "generally accepted norms relating to morality and public order" will be heard by the International Center of Expertise of the International Chamber of Commerce.
 - Community Interest Objections: Objections claiming that a "significant portion" of the community opposes the gTLD will be heard by the International Center of Expertise of the International Chamber of Commerce.

Seeing how this process unfolds will be interesting. Given the application and technical costs, not all entities may choose to take advantage of these new gTLDs. Moreover, the ever-increasing importance of search engines has, to some extent, rendered domain names of less importance. On the other hand, these new gTLDs permit, for example, the creation of a space devoted to a trademark holder's primary name or to a particular type of activity and may affect search engine results. Certainly, the potential for abuse necessitates that companies monitor the published list of new gTLDs in order to avoid the misappropriation of legal rights or the appropriation of business opportunities.

To discuss this new process under ICANN, or for information about the current domain name practice, please contact any of the following members of Bryan Cave's Intellectual Property Client Service Group:

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