

Brand Owners Prepare! ICANN Approves Seismic Shift of Internet Proportions by Expanding Generic Top-Level Domains

By: **Erin S. Hennessy, Matt Schneller, Jeffrey S. Whittle, Jonathon K. Hance and Ryan D. Gum**

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The Internet Corporation for Assigned Names and Numbers (ICANN) officially approved its long-germinating program to dramatically expand the number of generic top-level domain names (gTLDs). The program has the potential to add countless new names to the twenty-one (21) currently available top-level domains (like .COM and .NET) by permitting individuals and companies to apply to serve as registries for a virtually unlimited list of new gTLDs such as .BOOKS, .BERLIN or .BRAND, just to name a few.

In view of this unprecedented expansion of Internet real estate, brand owners will need to ensure that their trademark rights are protected in each new gTLD. Moreover, brand owners may need to consider stepping up their trademark enforcement and monitoring practices to respond to the exponential growth of second-level domains that can be used for counterfeiting and other nefarious activities. Finally, brand owners should consider whether to set up a .BRAND registry of their own (not a cheap undertaking – initial applications alone will cost well in excess of six figures, and there will be considerable ongoing operational costs) or otherwise participate in the new gTLD process.

Key Dates

Applications for new gTLDs will be accepted from January 12, 2012 through April 12, 2012. The dates for brand owners and others to oppose new gTLD applications contrary to their interest have not yet been set but will likely be between thirty (30) and sixty (60) days after the applications are collated and initially screened by ICANN.

What Can Applicants Expect?

The new gTLD application process is lengthy and complex, and owning and operating a registry is an expensive undertaking. It will cost at least \$185,000 to apply, including a \$5,000 deposit. In addition, those who are awarded new registries will be required to pay a \$25,000 annual fee plus certain transactional-based fees. Moreover, not all gTLDs will be available for registration, and not all applications will be given the same level of scrutiny. For more details, please visit the current [Draft gTLD Applicant Guidebook](#) , or contact the Bracewell & Giuliani attorney with whom you usually work or one of the attorneys listed as authors.

What Can Brand Owners Do?

Brand owners need to develop a strategy now. To start, they should answer a few threshold questions:


1. Is it advantageous to file a new gTLD application for one of our key marks, or for a key generic term in our industry?

2. Alternatively, is it better for us to monitor and oppose gTLDs similar to our key marks but not file any new gTLD applications?
3. Should we monitor the new gTLDs for second-level domains with objectionable content and then take action against the second-level domains?
4. Does a mix of all of the above provide the best approach?

Although the particular avenue will be different for every business, a well-planned, proactive approach will minimize the disruption from the new gTLD launch. For in-house counsel, and particularly counsel for companies that own famous trademarks, identifying key business decision-makers and getting buy-in on a strategy (and approval for costs) as early as possible will be very important.

Official fees for objections to new gTLD registries are expected to cost between \$1,000 and \$5,000 at filing, and could run considerably higher to take a dispute through to final adjudication, depending on the final mechanisms adopted by the service providers with whom ICANN will contract to adjudicate objections.

What Else Might Happen in the Interim?

Last month, ICANN provided an updated [Draft gTLD Applicant Guidebook](#)  that addressed many of the concerns about the program expressed by national governments. It is not clear, however, whether these changes will satisfy fully key governments, or whether any governments—in particular the United States—will use their considerable leverage to attempt to extract some additional concessions or changes. Nevertheless, ICANN is marching forward. A global awareness campaign to educate the world about these dramatic changes will be coming to an Internet browser near you.