TOOLS TO PROTECT YOUR RIGHTS AND BRANDS DURING gTLD EVALUATIONS

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The new generic top-level domain (gTLD) application process launched in early 2012, and on June 13, 2012, ICANN, the Internet governing body overseeing the new gTLD process, announced it received 1,930 applications for 1,409 new gTLD strings. Since then, ICANN announced that initial evaluations of the applications are now officially underway. The addition of potentially 1,400 new gTLDs to the internet may significantly affect trademark and brand owners’ rights. As evaluations continue, it is critical that trademark, brand, and other rights owners actively monitor the gTLD process. Here’s a look at a variety of mechanisms parties have at their disposal to help protect their rights and brands.

FORMAL OBJECTION PERIOD: NOW THROUGH JANUARY 2013

The public comment period closed on September 26, 2012, after thousands of comments were submitted. Many comments targeted generic gTLD strings or prolific applicants. For example, one comment, directed to L’Oreal’s applied-for string “SALON,” stated “the usage of generic terms as Top Level Domains must never be granted exclusively to the respective applicant” and should instead “be open to the public.”

In another comment related to the string “INSURANCE,” the commenter sought to disqualify prolific applicant Donuts and all of its subsidiaries from participation in the gTLD process based on ICANN’s anti-cybersquatting provisions.

Although the public comment window is now closed, the seven month formal objection period remains open until January 2013. During the objection period, applicants and trademark or other rights holders may consider filing formal objections on one of the following grounds:

- **Legal Rights Objection:** The holder of a trademark or other legal right has standing to file a legal rights objection when the applied-for gTLD string violates or infringes the legal rights of the objector.

- **String Confusion Objection:** Existing TLD operators or gTLD applicants from the current round of applications may lodge a string confusion objection when the applied-for gTLD string is “confusingly similar” to the objector’s existing TLD or applied-for gTLD string.

- **Limited Public Interest Objection:** Any party may file an objection when the “applied-for gTLD string is contrary to generally accepted legal norms of morality and public order.” However, given that there is no limitation on who can bring these objections, ICANN will perform a “quick look” review to weed out “frivolous and/or abusive objections” prior to considering the objection.

- **Community Objection:** “Established institution[s] associated with a clearly delineated community” may lodge community objections when “[t]here is substantial opposition to the gTLD application from a significant portion of the community to which the gTLD string may be explicitly or implicitly targeted.”
Formal objections must be filed electronically with the appropriate Dispute Resolution Service Provider listed on the ICANN website.\textsuperscript{16} Additionally, each objection must be filed in English, and if an objector wishes to file more than one objection, each objection must be filed separately.\textsuperscript{17} Substantively, objections must include the objector’s name and contact information, the objector’s basis for standing, a description of the grounds of the objection, and copies of any documents pertinent to the objector’s basis for the objection.\textsuperscript{18} Moreover, objections can be no more than the lesser of 5000 words or twenty pages, excluding any attachments.\textsuperscript{19} Finally, the objector will be required to pay a filing fee.\textsuperscript{20}

Unlike the more informal comment process, an objection triggers a formal dispute resolution procedure between the applicant and the objector. Once an objection is filed, the gTLD applicant will have an opportunity to file a response to the objection.\textsuperscript{21} The dispute resolution process will then continue with an administrative review, possible mediation, and finally the issue of an expert determination by the dispute resolution panel.\textsuperscript{22} Alternatively, the applicant and objector may reach a settlement, or the applicant may decide to withdraw its initial gTLD application in response to a formal objection.\textsuperscript{23}

Before filing an objection, the potential objector needs to consider the economics of the objection system’s fee shifting policy. At the start of the objection process, the objector will pay a filing fee when submitting the objection,\textsuperscript{24} and the applicant will pay a filing fee when submitting an initial response.\textsuperscript{25} Thereafter, the dispute resolution panel will estimate the total costs associated with the dispute resolution procedure, and the objector and applicant/respondent will be required to each pay the costs in full before the dispute resolution process begins.\textsuperscript{26} At the end of the dispute resolution process, the panel will refund the prevailing party “its advance payment(s) of Costs.”\textsuperscript{27} Thus, given this fee shifting system, an objector should consider both the merits and economics of a potential objection before filing.

**GAC EARLY WARNINGS: OCTOBER 2012**

Running parallel with the objection period, the Governmental Advisory Committee (GAC) to ICANN will also play a key role in protecting legal interests. Throughout the comment and objection periods, the GAC will continue to seek input from its member governments regarding the applied-for strings.\textsuperscript{28} The GAC plans to issue “Early Warnings” in October 2012 to the ICANN board, which the ICANN board will use to notify applicants of potential issues.\textsuperscript{29} The Early Warning “is a notice only” and is “not a formal objection.”\textsuperscript{30} Rather, the Early Warning serves as an indication that the applied-for string “might be problematic, e.g., potentially violate national law or raise sensitivities.”\textsuperscript{31} gTLD applicants will need to remain aware of the GAC Early Warning process. An applicant receiving an Early Warning will face two options. First, the applicant “may elect to withdraw the application” within 21 days of the Early Warning notification to receive an 80% refund of the original application fee.\textsuperscript{32} Alternatively, the applicant may elect to continue with the application and address any concerns throughout the evaluation process.\textsuperscript{33}

**TRADEMARK CLEARINGHOUSE: LATE 2012**

Trademark owners will have an additional avenue to help protect their legal rights when ICANN’s Trademark Clearinghouse becomes operational in late 2012. Trademark holders and gTLD registry operators will be able to rely on the Clearinghouse to “support rights protection mechanisms for the new gTLD
space.”

The Trademark Clearinghouse will operate as a “central repository for information to be authenticated, stored, and disseminated, pertaining to the rights of trademark holders.” Moving forward, “[a] ll new gTLD registries will be required to use the Trademark Clearinghouse to support its pre-launch or initial launch period rights protection mechanisms.”

The Clearinghouse will help serve as notice, and gTLD registries must recognize and honor all marks that are “nationally or regionally registered,” “court validated,” or “specifically protected . . . at the time the mark is submitted to the Clearinghouse for inclusion.”

Thus, trademark owners should review their trademarks and determine which marks to register with the Trademark Clearinghouse to put others on notice of the owners’ rights. Trademark holders wishing to take advantage of the Trademark Clearinghouse will be able to submit separate entries for each nationally or regionally registered mark from any jurisdiction, or any other marks constituting intellectual property. With each submission, the trademark holder will need to submit various data supporting ownership and/or registration of the mark, as well as a declaration or affidavit. The fee for initial authentication and validation services will likely be less than $150 per submission.

LOOKING AHEAD

Clients who are gTLD applicants and/or trademark or brand owners will have a busy year as the gTLD evaluation process continues to unfold. Applicants will need to continue to monitor the evaluation and GAC Early Warning processes and correspond as necessary with evaluation panels. Applicants and non-applicants should also consider making use of the tools identified above, and may decide to file a formal objection, register trademarks with the Trademark Clearinghouse, or otherwise protect their rights. The above discussion serves as a brief overview of some of the available tools, but additional information and updates on the gTLD process can be found through ICANN’s website: http://newgtlds.icann.org/en.

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34 ICANN, gTLD APPLICANT GUIDEBOOK, supra note 7, at “Trademark Clearinghouse.”
35 Id.
36 Id.
37 Id.
38 Id.
39 Id.