

Handling Domain Names in the Wake of the New gTLDs

In May 2015, I had the good fortune to attend the International Trademark Association's (INTA) Annual Conference in San Diego, California. Each morning as I walked to the convention center and each afternoon when I walked back to the hotel, there were people standing on street corners with big signs saying ".sucks" (Dotsucks). There were also many cars with big ".suck" signs on their roof. In the exhibitors' hall at the conference there was a large ".sucks" exhibit where people could engage in conversations about the regulation of domain names and First Amendment free speech rights. Needless to say, the .SUCKS campaign got my attention. As a Trademark Lawyer, I couldn't help but wonder: how can I better educate my clients about the latest developments with domain names? How do companies protect their brand and domain names in light of the expansion of domain names throughout the world?



A Brief Background

A word used as a domain name identifies an address or place on the internet where a "home page" or "web site" can be located. 5 McCarthy on Trademarks and Unfair Competition §25A:10 (4th ed.). See Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1044 (9th Cir. 1999). A gTLD is a generic top-level domain. The gTLD of an Internet address appears to the right of the "dot" in the address. gTLDs include the familiar .com, .net and .org as well as many new gTLDs that focus on a particular business or group. www.inta.org

The Internet Corporation for Assigned Names and Numbers (ICANN) was formed in 1998 and the U.S. Department of Commerce officially recognized ICANN as the official organization designated to carry on administration of the internet name and address system, also known as the DNS (Domain Name System). ICANN is a global, multi-stakeholder, consensus-based, non-profit organization. See Name.Space, Inc. v. Network Solutions, Inc., 202 F.3d 573, (2d Cir. 2000) reviewing the history of the domain name system and transfer of authority to ICANN).

ICANN coordinates the Internet Assigned Numbers Authority (IANA) functions, which are key technical services critical to the continued operations of the Internet's underlying address book, the Domain Name System (DNS).

The IANA functions include:

1. The coordination of the assignment of technical protocol parameters including the management of the address and routing parameter area (ARPA) top-level domain;
2. The administration of certain responsibilities associated with Internet DNS root zone management such as generic (gTLD) and country code (ccTLD) Top-Level Domains;
3. The allocation of Internet numbering resources and services.

ICANN performs the IANA functions under a U.S. Government contract. www.ICANN.org

As of 2013, about 252 million domain names were registered worldwide. About 60% were in the gTLD registries (i.e. .com and .net) and the remainder in the ccTLDs (country code registries). 5 McCarthy §25A:11; Statistics from VeriSign Domain Name Industry Brief (2013), at <http://www.verisign.com>. Businesses and commercial entities in the United States prefer to use the top level domain “.com”. Educational institutions use “.edu” as a top level domain, military offices use “.mil” and government entities use “.gov”. Originally, “.net” was designed for internet network related entities, “.org” for nonprofit or public organizations. The boundaries of the uses of .com, .net and .org have not been enforced since 1995, because it was decided to suspend screening to reduce delays in the processing of registrations. *Virtual Works, Inc. v. Volkswagen of America, Inc.* 238 F.3d 264, 266 (4th Cir. 2001).

Registrars of Domain Names

Registrars accredited by ICANN register domain names. This reserves either a geographic, country code ccTLD domain name (www.holidaycottages.co.uk/) or a global, generic gTLD domain name, such as the popular “dot-com” TLD, as in www.starbucks.com 5 McCarthy on Trademarks and Unfair Competition §25A:13 (4th ed.) A battle over a domain name is essentially a battle for the same “intuitive” domain name - a domain name that makes sense without looking it up in a search engine. It is the demand for “intuitive domain names that drives many of the trademark disputes over domain names. Prospective buyers usually assume that a company will have its business name or brand as its domain name. Id.

If the hypothetical clothing manufacturer Silk, Inc. were to purchase a domain name for its website it would probably want the domain name “silk.com” so prospective consumers may easily find their website. However, what if the clothing manufacturer discovers that someone else, like the hypothetical Silk Chocolate Company has already reserved the domain name “silk.com”. There can only be one silk.com domain name on the World Wide Web under the “first-come-first-reserved” policy of the domain name system. The clothing manufacturer must choose another name such as silkclothing.com or silkcloth.com.

Link and Gateway pages

Proposed solutions to these types of problems include “link pages”, “directories” or “gateways” that consist of pages of listing companies that share the same domain name. Dupre, *A Solution to the Problem? Trademark Infringement and Dilution by Domain Names: Bring the Cyberworld in Line with the “Real” World*, 87 Trademark Rep. 613 (1997). For example, a consumer types in “silk.com” and would see a “link page” listing and describing all of the parties who share the domain name, “silk.com”. The user would then choose by clicking on the name or logo of the company that she was seeking. The use of “gateway pages” or “link pages” would lessen the demand for more top level domains as a means of preventing the depletion of commercially useful domain names. Since many firms could share the same domain name, there would be little likelihood of a paucity of marketable names. Also, the use of “link pages or “Gateways” would bring domain name usage more in line with global trademark law, which permits several users in different territories or in different product lines to use the same mark. 5 McCarthy on Trademarks and Unfair Competition §25A:13 (4th ed.)

ICANN’s Open Framework for an Unlimited Number of gTLDs

ICANN adopted an “open framework” for the addition of new top-level domain names in June 2008. Under this system, ICANN permits any entity that meets ICANN criteria to apply for and operate its own gTLD. The new domains may appear in non-Latin characters, such as Chinese or Cyrillic. The policy set no limits on the number of new gTLDs that may be added. See <http://www.icann.org/>. This policy led to fears of a proliferation

of cybersquatting in the new top level domains. 5 McCarthy on Trademarks and Unfair Competition §25A:15 (4th ed.)

In early 2012, ICANN began accepting applications for new top level domains. See PrahI and Null, The New Generic Top-Level; Domain Program: A New Era of Risk for Trademark Owners and the Internet, 101 Trademark Rep. 1757, 1763 (2012). Almost 2000 applications were filed. It was predicted that within a few years there would be ICANN approval of 1300 to 1400 new top level domains. It was anticipated that a number of brand owners would seek to register their brands as new top level domains in order to protect their intellectual property, build a secure communication hub on the web and to create a valuable piece of internet real estate that only the brand owner controls. 5 McCarthy on Trademarks and Unfair Competition §25A:15 (4th ed.)

ICANN had taken the final steps to approve and authorize over a hundred new global top level domains by 2014, and hundreds more were in the pipeline Id.

Rights Protection Mechanisms (RPMs)

Traditional remedies against trademark infringement and cybersquatting in the United States include the Uniform Dispute Resolution Policy, the Anti-cybersquatting Protection Act and the Lanham Act infringement provisions. The new gTLD framework provides additional remedies against cybersquatting such as the Trademark Clearinghouse (TMCH), Sunrise Periods and the Uniform Rapid Suspension System. 5 McCarthy on Trademarks and Unfair Competition §25A:15 (4th ed.)

These RPMs are briefly described below:

- Trademark Clearinghouse

The Trademark Clearinghouse provides a list of marks deposited by trademark owners. The entity operating the clearinghouse verifies the data and maintains a database with the verified trademark records. See www.trademark-clearinghouse.com. To be eligible for the TMCH, a trademark must be: a nationally or regionally registered word mark; a word mark validated through a court of law or other judicial proceedings; a word mark currently protected by statute or treaty; or other marks that “constitute intellectual property.” See www.newgtld.icann.org/en/aobut/trademark-clearinghouse. The trademark owner must pay all costs verifying the information and responsible for periodic renewal to keep the mark active in the TCH. 5 McCarthy on Trademarks and Unfair Competition §25A:15 (4th ed.)

A new gTLD registry must have a Trademark Claims service that under some circumstances, must notify a trademark owner whose mark is in the Clearinghouse that an identical string has been applied-for in that gTLD. Id. and see PrahI and Null, The New Generic Top-Level; Domain Program: A New Era of Risk for Trademark Owners and the Internet, 101 Trademark Rep. 1757, 1780-1781 (2012).

- Sunrise Periods

Each new gTLD registry must have a Sunrise pre-launch period allowing only verified trademark owners to register marks in that gTLD. This allows trademark owners to register names in a new gTLD before registration opens to the public. To be eligible, the trademark owner must

have its trademark data verified by the TMCH. 5 McCarthy on Trademarks and Unfair Competition §25A:15 (4th ed.)

For example, the “.sucks” registry had two different launch periods with different products for each. The TMCH Sunrise Period was from March 30, 2015 to June 19, 2015. The General Availability period started June 21, 2015.

Premium Names such as life.sucks and divorce.sucks were created by the Registry and were available during the TMCH Sunrise Period and continued through the General Availability phase. The prices for Premium Names depend on the individual name. If you want to know more about these products go to www.registry.sucks/products

- Uniform Rapid Suspension System (URS)

URS is a new post-launch measure designed to give some protection to trademark owners from clear cases of abuse of their marks in second level domain name strings. The URS is an expedited on-line system in which a single “examiner” resolves, in a short time period, obvious cases of bad faith use of trademarks proven by clear and convincing evidence. 5 McCarthy on Trademarks and Unfair Competition §25A:15 (4th ed.); See Prahl and Null, The New Generic Top-Level; Domain Program: A New Era of Risk for Trademark Owners and the Internet, 101 Trademark Rep. 1757, 1780-1781 (2012). See Facebook Inc. v. Radoslav, NAFA 1308001515825 (September 27, 2013) (In the first URS proceeding, the examiner found that the challenged domain name “facebok.pw” was registered in bad faith and was suspected after the complaint of Facebook)

Trademark owners need to take steps at all levels to protect their trademarks and domain names, from the very creation of the brand, through the registration process and development in the marketplace. Here are a few recommendations I have gleaned from a variety of sources.

Recommendations

Secure your domain names by taking the following steps:

1. Identify all domains owned by company and ensure all renewals are completed in a timely manner
2. Have one person or department manage all domain names
3. Identify countries in which you do business, have trademark rights, have growing online markets, or are rapidly expanding and have at risk jurisdictions that can erode and dilute brand awareness and recognition if not secured
4. Secure key and at risk names
5. Monitor your domain names and brands
6. Evaluate and monitor new domain extensions as they become available

7. Hire a third party to monitor your brands for infringements and harmful registrations that attempt to profit from your valuable trademark.
8. Enforce your rights; consider the jurisdiction of the gTLD or ccTLD.
9. Register and validate your registered trademarks with the Trademark Clearinghouse.

The need to monitor trademarks and domain names in the marketplace is crucial to successfully developing and maintaining a strong brand. I recently received a message from a domain registry notifying me that the TMCH SunRise period for several gTLDs were open including “.law” from July 3, 2015 through September 28, 2015. Law firms that already have, or aspire to have; an identifiable brand must ensure that their names are protected during this SunRise period.

Ralph Nader is a spokesperson for the “.sucks” registry, which is “designed to help consumers find their voices and allow companies to find the value in criticism. Each Dotsucks domain has the potential to become an essential part of every organizations customer relationship management program.” www.registry.sucks

There has been a lot of discussion on the ability of consumers to purchase “.sucks” domain names and voice their frustrations on the Internet about specific businesses. Brand owners must consider the business case for owning their own .sucks domain, or the possibility of an outside party owning a .sucks domain of their brand.

For more information on this subject see:

www.icann.org

www.trademark-clearinghouse.com

www.inta.org

About Crystal

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