

## New gTLDs: the Web is about to get bigger. Are you ready?

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### Key points

- New rules being proposed by the Internet Corporation for Assigned Names and Numbers (**ICANN**) will open up the registration of new generic Top-Level Domains (**gTLDs**) for example .middletons, .melbourne and .web.
- Under each of the potentially thousands of new gTLDs, new "second-level" domain names will also become available for registration. This has serious implications for trade mark owners seeking to prevent domain name misuse.
- Two new procedures will be introduced to allow brand owners to prevent misuse of intellectual property in the new gTLD domain name space: the Trademark Clearinghouse and Uniform Rapid Suspension Procedure.
- To assist in policing the potential new source of trade mark misuse, brand owners should consider registering trade marks with the Trademark Clearinghouse in order to be notified of third parties seeking registration of their trade marks as domain names under the new gTLDs.

### What is a gTLD?

A top-level domain name (TLD) refers to the suffix that appears at the end of the domain name.

Currently there are 21 generic TLDs (gTLDs, such as .com, .org, .biz, .edu and .asia) and approximately 250 country-code TLDs (ccTLDs, such as .au, .uk and .tv), each of which has its own eligibility requirements for registration of a domain name in that space.

In late 2005 ICANN, the authority responsible for the management of the top-level domain name system, undertook a policy review of the existing TLD framework, which culminated in the decision in 2008 to open up registration of new TLDs. After years of consultation, ICANN has this month released the proposed final version of the new gTLD program, which is scheduled to be implemented in 2011.

The new gTLD program will allow applicants to register four kinds of names as TLDs:

- generic word TLDs (eg .web, .home)
- corporate TLDs (eg .apple, .sony)
- community TLDs (eg .redcross, .amnesty)
- geographic TLDs (eg .sydney, .melbourne)

The ability to register a brand name as a TLD obviously presents potential from a marketing perspective. Registration of a TLD also offers other benefits. Not only will the new gTLD operator gain registration of the TLD name, they will be able to register, and confer registration of all domain names falling under that new gTLD, ie "second-level" domain names. The gTLD owner will in effect become its own registrar. Registration of a gTLD, once granted will be for a minimum 10 years and subject to automatic renewal.

## The Application Process

Currently when a company or person applies for a domain name, they are registering a name at the second or third level of the domain name. Registration of that domain name is facilitated and recorded by the registrar accredited to manage the TLD under which the domain name is registered. For example the .au space is currently managed by AusRegistry.

Unlike applying for a domain name at the second-level, an applicant for a new gTLD is, in effect, applying to create and operate a registry business.

In order to register a new gTLD the applicant will need to establish to ICANN's satisfaction that the applicant has reputable standing and the technical and financial capability to run the new gTLD. Although in terms of technical capability, it is likely that existing registry operators will offer services to manage gTLD on behalf of prospective applicants. The applicant will need to also describe the policies and procedures it will implement to prevent abusive registrations and other unlawful conduct under their new gTLD.

These hurdles, coupled with costly application fees (US\$185,000) and ongoing subscription and transaction fees (estimated at US\$6,250 per year, plus US\$0.20 per second-level domain registered or renewed), are likely to almost entirely prevent abusive gTLD registrations. One estimate of the likely costs of setting up the registry is more than US\$1,000,000.

Nevertheless, there are processes in place to deal with bad faith registration of gTLDs.

Shortly after the closing date for applications, ICANN will publish a list of the proposed gTLDs on its website for a 45 day "Public Comment" period. At the close of that period, there will be "Initial Evaluation" of all applications, during which ICANN will assess the merits of the application taking into account any public comments received. This process is expected to take approximately five months, although if ICANN receives more than 500 gTLD applications in the first instance, this process is likely to take much longer.

When the list of proposed gTLDs is published, brand owners will be entitled to file a formal objection against registration of a gTLD which is identical to or confusingly similar to an existing trade mark. This "objection filing" period will close two weeks after the results of the Initial Evaluation are published. The gTLD application will then be referred for dispute resolution. It is unclear at this stage how long the dispute resolution procedure will take, although it is estimated that it may take up to two years before a dispute is determined.

## Trademark Clearinghouse and Domain Name Monitoring

As part of the new gTLD program, ICANN will establish a "Trademark Clearinghouse", which will serve as a centralised database of trade marks against which new gTLD operators will be required to assess all new domain names registered under their respective TLDs.

New gTLD operators will then be required to provide one of two pre-launch rights protection mechanisms:

- a "pre-launch claim service", under which trade mark owners who have registered their trade marks with the Trademark Clearinghouse will be notified whenever an application tries to register a domain name identical to the trade mark; or
- a "sunrise period", which will allow trade marks owners registered with the Trademark Clearinghouse an opportunity to register a domain name in the gTLD before the domain names become available for registration to the public.

The Trademark Clearinghouse will only accept nationally or internationally registered trade marks, or marks which have been recognised by a Court. Common law or unregistered trade marks will not be permitted. It is therefore crucial that anyone seeking to prevent domain name abuse achieves registration of any unregistered trade marks they wish to protect.

Service providers will be established to manage and assess applications to the clearinghouse. Until those service providers are appointed, it is not known what costs will be associated with registering for the clearinghouse. While there are some obvious limitations (only domain names identical to trade marks in the clearinghouse will trigger the rights protection mechanisms), the Trademark Clearinghouse is nevertheless a promising tool for brand owners to get one step ahead of potential cybersquatters.

## Uniform Rapid Suspension Procedure

Currently, domain name disputes are governed by the Uniform Domain-Name Dispute Resolution Policy (**UDRP**), or one of its equivalents (eg the AuDRP). While often effective, complaints under the UDRP can be slow and costly, even when the domain name registrant does nothing to dispute a complaint. Even if a trade mark owner is ultimately successful in having a domain name returned, those costs are not recoverable.

New gTLD operators will be required to implement a new "Uniform Rapid Suspension" (**URS**) procedure designed as a fast track version of the UDRP.

A complaint issued under the URS undergoes an administrative check which must be completed within three business days, then assuming the formalities of the complaint are in order, the domain name must be "locked" within 24 hours and will remain locked until the merits of the dispute are determined. The lock will not prevent the website from displaying, but will prevent the person from transferring the domain name or trying to alter the registration data in any way.

If the registrant does not formally respond to the complaint within 14 days, then the complaint will be reviewed by an examiner immediately.

If the registrant disputes the complaint, the matter will be determined upon the material filed by the parties on an expedited basis. Under the current draft proposal, the determination must be handed down within 14 days after the registrant files a response.

If it is found the domain name was registered in bad faith, the name will be suspended for the duration of the registration and resolve to a page referring to the URS. So, unlike a successful UDRP complaint, the URS will not allow an infringing domain name to be transferred to a trade mark owner. The complainant would need to wait until the registration lapsed and then upon expiry apply for registration of the domain name in its own name.

Despite this shortcoming, the URS represents a potentially effective tool to ensure rapid determination in clear-cut cases of domain name abuse.

## Other strategies

In addition to the procedures referred to above, trade mark owners should also consider implementing additional strategies both to take advantage of new opportunities gTLDs offer and to prevent domain name abuse at the second-level.

Once new gTLDs begin operating it should soon become clear which of the new TLDs will become the next big domain players. Brand owners may consider, either as a defensive strategy or for their own marketing purposes, registering domain names in the more popular new gTLDs or in other gTLDs which have some connection with their business.

## Important Dates

10 January 2011	New gTLD Final Applicant Guidebook released to public
January – May 2011	ICANN global communication campaign
30 May 2011	Application for new gTLDs open
15 July 2011	Application period closes
August 2011 (estimated)	List of proposed gTLDs published and objection filing period commences
August-September 2011 (est.)	Public Comment period
mid-January 2012 (est.)	Close of Initial Evaluation period and publication of approved gTLD applications
late-January 2012 (est.)	Close of objection filing period

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Chris prosecutes trade mark applications and oppositions before IP Australia and appears at trade mark hearings. He manages the trade mark portfolio of many Australian and international companies and provides strategic advice on the registrability of a diverse range of trade marks.

Chris has completed a Masters of Laws (Intellectual Property) and is a member of the International Trademark Association and the Intellectual Property Society of Australia and New Zealand.