

The New gTLDs and How to Cope with Them

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A top-level domain name (TLD) is the part of a domain name to the right of the dot, e.g. .com. Currently there are a limited number of them; 21 generic TLDs (gTLDs) and 273 Country code TLDs (ccTLDs).

ICANN has proposed to create new gTLDs to open up the top level of the Internet's name space to foster diversity, encourage competition and enhance the utility of the domain name system. ICANN's proposal to make an unlimited number of new top-level domain names available may soon become a reality.

The proposal raises two pressing issues for brand owners. First, what is the status of their availability? Second, assuming that they will become available in the near future, what should be done?

History and Availability

When ICANN was created in 1998, the generic top-level domain (gTLD) space was limited to eight generic top-level domains. In 2000 and 2004 a limited number of additional gTLDs were introduced to increase the number to 22 gTLDs.

In October 2007, the Generic Names Supporting Organization (GNSO)—one of the groups that coordinate global Internet policy at ICANN—developed a policy concerning new gTLDs. Stakeholder groups were engaged in discussions for more than 18 months on the issues relating to implementation.

At its June 2008 meeting ICANN voted unanimously to modify the domain name system to permit an unlimited number of new gTLDs. Under the proposal anyone may apply for and, subject to ICANN approval, administer a new gTLD. Applicants can select a domain name that is most appropriate for their customers or potentially the most marketable. It seems likely that this will result in a multitude of new gTLDs.

ICANN says that the new gTLDs will create more choice for Internet users, empower innovation, stimulate economic activity and generate new business opportunities around the world. Brand owners' views are more critical since they will be obliged to obtain registrations for defensive purposes and incur expenses relating to monitoring a significantly increased number of potential abuses.

In response to brand owners' concerns ICANN set up an Implementation Recommendation Team (IRT) to develop solutions. The IRT identified five proposals to address immediate concerns.

On November 12, 2010 ICANN posted a Proposed Final Applicant Guidebook (DAG4) which took into account the IRT report as well as the comments of hundreds of interested

The New gTLDs and How to Cope with Them

stakeholders. There was a flurry of objections by brand owners and others over the process and the substance of the new gTLD program.

ICANN's actions were criticized as a drive toward conclusion without meaningful dialogue, without a thorough and reasoned explanation of decisions taken and for failing to adequately resolve key overreaching issues.

The Government Advisory Committee (GAC), which is made up of representatives of more than 100 governments and is intended to give governments from around the world a voice in ICANN's multi-stakeholder community, made it clear to ICANN's Board that it had concerns and some issues needed resolution before launching new gTLDs.

In response ICANN's Board of Directors indicated that they would have an extended meeting with GAC, scheduled for the end of February 2011 in Brussels, to resolve the remaining concerns of GAC's members.

ICANN also said it would, in addition to consulting with the GAC,:

- Take into account public comment on the DAG4 and make appropriate revisions;
- Provide a thorough and reasoned explanation of ICANN's decisions, the rationale thereof and the sources of data and information on which ICANN relied.

At its public meeting in San Francisco on March 13, 2011 ICANN announced a new working timeline for the completion of the process and the launch of the new gTLDs. GAC's concerns as well as any changes to the DAG4 are to be made available to the public for comment by April 15. The comment period closed May 15, the final version of the DAG4 will be posted by May 30 and ICANN's final decision will be announced at its Singapore meeting on June 20, 2011.

How to Cope

In broad terms, brand owners can start the process of securing their new gTLD or find a way to deal with third party applications for new gTLDs.

Many parties are said to be interested in securing new gTLDs such as .brand, .car, .health and so on. One source has suggested at least 115 proposals would be presented this year. But the costs are high. The ICANN evaluation fee is USD \$185,000 which must be paid before the process begins. However, these fees are just the tip of the iceberg and the real costs may be in the millions.

An alternative strategy is to monitor the actions of third parties as they seek to obtain new gTLDs. ICANN will post all applications considered complete and ready for evaluation as soon as practicable after the close of the application submission period.

The New gTLDs and How to Cope with Them

An objection may be based on any one of four grounds including a Legal Rights Objection asserting that the applied-for gTLD string infringes the existing legal rights of the objector.

Where formal objections are filed and filing fees paid during the objection filing period, a dispute resolution process applies. An independent dispute resolution service provider will initiate and conclude proceedings based on the objections received.

In addition, defensive registrations at the second level may also be possible. For example if the .car gTLD was obtained, it may be possible to secure edsel.car or the like. A brand owner's rights are protected to a degree since the registry operator of the new gTLD must implement, at a minimum, either a Sunrise period or a Trademark Claims service during the start-up phases for registration in the gTLD. These mechanisms are to be supported by the establishment of a Trademark Clearinghouse which is intended to provide a listing of valid trademarks. The Sunrise period allows eligible rights holders an early opportunity to register second level domain names in the gTLD.

To the extent that these procedures do not work, a separate dispute resolution known as the Uniform Rapid Suspension system is available to brand owners. The proposal for the URS resulted from the perceived need for a rapid take-down process for egregious and clear-cut infringing domains which would supplement the existing Uniform Domain Name Dispute Resolution Procedure (UDRP) system. Unfortunately the URS only provides for suspension as a remedy and resort must be made to the UDRP procedure to obtain cancellation or transfer of the impugned domain name.

All of the issues described above need to be monitored and considered by brand owners as they continue to unfold. Like it or not, ICANN is ensuring that brand owners live in interesting times.

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