

New gTLD domain name release



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Introduction

In one of the most far reaching developments to effect the internet since its creation, in January 2012 ICANN will start the process of releasing potentially hundreds of top level domain names for use by brand owners or as generic references. This presents unparalleled opportunities and risks for all brand owners, and only the best prepared are likely to meet those challenges.

What is .[brand] all about?

ICANN approved the release of the new generic Top Level Domain (gTLD) program in June 2011. As a result, rather than operating websites under the .com suffix, brand owners will have the opportunity to use the suffix .[brand]. A number of brand owners, for example Canon, have already publicly announced that they will make an application when the submission period opens in 2012. For other companies, having a more generic suffix may prove more advantageous, for example .bank or .pharma. However ICANN has been criticised for the substantial costs that applicants will have to pay.

Brand owners need to consider in good time, before the submission period opens in January 2012, whether the launch of the new gTLDs is an opportunity for their business and make an application, or alternatively whether they need to take a more defensive approach and consider objecting to third party applications, and in due course also register their brands with the clearing house being set up to help avoid cyber squatting.

The application process?

Stage One

Applications Submission Period

Applications must be submitted electronically through an online application system. These must be submitted within this period, which will last 90 days. It is advisable that if an entity wants to apply for a gTLD, then they should do so as soon as the submission period opens. To complete the application, a series of around 50 questions will be asked in order to examine the applicant's financial, technical and operational capability. It is unlikely that all but a very few brand owners would be able to make this submission without technical assistance. Supporting documents will need to be submitted as well as supplying a deposit. After the deposit has been received, the applicant will have access to the full application. When the complete application is submitted, the remaining evaluating fee will need to be paid. (See costs below).

Stage Two

Administrative Completeness Check

Once the submission period has ended, ICANN will begin checking all applications for

completeness. This is to ensure that all questions have been answered, that the supporting documents provided are in the correct format and that the evaluation fees have been received. This will take approximately 8 weeks to complete, however, this may be subject to change depending on the volume of applications received.

When ICANN has confirmed that an application is complete and ready for evaluation, they will then post the public portions of each application on their website within two weeks of the application period ending. The public will be able to comment on the posts made and highlight their concerns. Comments made within 60 days of the posts being made public by ICANN will be viewed by the evaluation panel. Public comments are not the same as Objection Filings (see below).

Stage Three

Initial Evaluation

This will begin after the Administrative Completeness check finishes. Background screening is carried out on the applicant and the individuals mentioned in the application. The two main areas to evaluate for this period are:

- String Reviews - the panel will determine through evaluation whether or not the gTLD string applied for is the same or confusingly similar to an existing or reserved string. The panel will also examine whether or not the string applied for will be likely to cause security or stability problems in the DNS (Domain Name System)
- Applicant Review - This process will determine whether or not an applicant meets the requirement for having financial, technical and operational capabilities to run a registry

This initial evaluation period will last approximately 5 months. Again, ICANN will post the results of the Initial Evaluation on their website.

Extended Evaluation

This is available to certain applicants who do not pass the initial evaluation. It allows for the applicant and the evaluator to clarify information within the application. Reasons for entering this process might be if one or more proposed registry services highlight technical issues that may affect the security or stability of the DNS. At the end of the extended evaluation period, ICANN will post



summary results from the Initial Evaluation period and Extended Evaluation period. If an application fails, it will go no further. If the applicant passes, they will proceed to the next stage.

Stage Four

Transition to Delegation

Once the applicants complete all the previous stages successfully, they will be required to go through a series of steps before the new gTLD is delegated. These steps are:

- execution of a registry agreement with ICANN, which ICANN can terminate at any point. This is a 10 year agreement
- completion of a pre-delegation technical test to validate information provided in the application form

Once these steps have been completed successfully, the applicant will be able to delegate the gTLD into the DNS Root Zone, which is how a domain is technically administered. This delegation step can take approximately two months.

How can brand owners not entering the application process protect their rights?

Objection Filing

This procedure opens after ICANN has posted the applications that are shown as complete after the Administrative Completeness Check. Objections must be taken up directly with the Dispute Resolution Service Providers (DRSPs), not with ICANN. This objection filing procedure will close following the end of the initial evaluation period, with a two week window between the posting of the initial evaluation results online and the close of the objection filing period.

Formal objections can be filed against applications based on four points:

- String Confusion Objection - where a string is confusingly similar to an existing TLD or another applied for gTLD
- Legal Rights Objection - if the applied for string infringes the existing legal rights of the objector

- Limited Public Interest Objection - strings considered to be contrary to general principles of international law for morality and public order, such as violation of human rights, violence against women etc
- Community Objection - where the string might explicitly or implicitly target a community

Dispute Resolution

Where formal objections are filed and filing fees paid during the objection filing period, the DRSPs will initiate and conclude proceedings based on objections received. Either the applicant will be successful and proceed to the next stage or the objector will be successful, which means the application will go no further or the application will be bound to a contention resolution procedure. The proceedings are expected to be completed for all affected applications within, approximately, a 5 month timeline. Each DRSP will publish a schedule of costs and how costs will be calculated. These costs cover the fees and expenses of the members of the panel as well as administrative costs.

String Contention

This refers to a situation where there is more than one qualified application for the identical gTLD string or for similar strings. Applicants are advised to resolve string contention amongst themselves prior to the string contention resolution stage. If this does not happen, it will then proceed to either a community priority evaluation or it will go to auction, with the highest bidder being successful.

Rights Protection Mechanism (RPM)

Once a new gTLD has been delegated and is operational, it will be necessary to implement and abide by any rights protection mechanisms that may be required from time to time by ICANN. Additional mechanisms can be introduced by Registry Operators to discourage or prevent the registration of domain names that violate or abuse another party's legal rights. Registrar operators may be required to comply with the following mechanisms:

- Trademark Post-Delegation Dispute Resolution Procedure
This is where a TLD string is identical to a trade mark and the registry operator holds itself out as the beneficiary of the mark

- Registration Restriction Dispute Resolution Procedure
This is where the complainant is an organisation or individual harmed as a result of a community based gTLD registry operator not complying with the restrictions set out in its Registry Agreement

Trademark Clearinghouse

The Trademark Clearinghouse is a way of operating a cost effective Rights Protection Mechanism (RPM) that does not place a heavy financial or administrative burden on trade mark owners. The Trademark Clearinghouse should include all trade marks registered at any national or multi-national trade mark office. All new gTLD applicants, having been successful, will need to use the Trademark Clearinghouse to support any launches. It must have a trade marks claims service operative during an initial launch for marks in the Clearinghouse. The service is intended to provide notice to the potential registrant of a trade mark holder's rights. It must also have a Sunrise Service. This is offered for a minimum of 30 days during the pre-launch phase and will provide the following:

- The validation of trade mark rights on an annual basis which can be pushed to new gTLD registry operators or pulled by them to support pre-launch RPMs such as Sunrise schemes
- A Globally Protected Marks List of trade marks that has the effect of limiting third party applications for (a) top level domains that match or are confusingly similar to trade marks on the list; and (b) second-level domains that match trade marks on the list
- A Pre-Launch IP Claims Service that will notify new gTLD applicants and trade mark owners that a current validated right exists for the identical term being applied for at the second level
- The generation of data for, and participation in, Uniform Rapid Suspension systems (see below)

The Uniform Rapid Suspension system (URS)

It is an important and successful mediation tool for trade mark owners and domain name registrants. The URS is designed to provide a quick and

efficient mechanism for trade mark owners in the clearest cases of cyber squatting.

The costs for each process?

- A deposit is required when an applicant registers for an application in the sum of \$5,000
- The balance of the application fee in the sum of \$180,000 to be made when the full application form is submitted, making a total application fee of \$185,000
- Consultancy costs for making the application are approximately £50,000
- Annual running costs for a new gTLD will be circa £150,000 including ICANN fees
- The full extent of dispute resolution fees are presently unspecified but are likely to be in the region of £7,000 per dispute
- The cost of registering with the Trademark Clearinghouse is estimated to be circa £150 per mark

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