

12 April 2011

## Commercial Law e-alert

# Brand Grab: the ICANN gTLD expansion is coming later this year – stake your claim before it's too late!

At its latest series of public meetings concluding 18 March 2011, the Internet Corporation for Assigned Names and Numbers (ICANN) has announced its intention to implement the new generic top level domain (gTLD) program by 20 June 2011.

## The gTLD program

### Background

Generic top level domains (gTLD) refer to three or more sequence of letters at the end of an internet address. Currently there are 22 gTLDs including the more frequently used .com, .org, .net and lesser known strings such as .coop, .pro and .travel.

In October this year, ICANN intends to open applications for unlimited gTLDs. This includes gTLDs in non-Latin scripts such Arabic or Chinese. ICANN expects the expansion of gTLDs will drive innovation, change and create more choice in the internet.

The benefits of owning a gTLD for multinational companies and organisations are clear. Ownership of a brand TLD will not only create new marketing opportunities but also allow consolidation of internet presence and allow customers to bypass the use of search engines. Canon, Deloitte, Hitachi and IBM have already announced their intention to establish gTLDs using their trademark. From an entrepreneurial perspective, broad non-specific gTLDs such as .news, .sport or .food are likely to be profitable. Community-based applications for gTLDs by interest groups or non-Latin speaking groups are also expected.

### Application process

ICANN has affirmed its intention to open applications for a window of three months commencing October 2011. Applications outside this period will not be accepted.

Although these changes will affect everyone with an online presence, not everyone will be eligible to apply for their own gTLD. There is an initial application fee of US\$185,000. The applicant is then assessed on its financial, technical and operational capabilities of maintaining a gTLD. Once approved, renewal fees are set at US\$6,250 per quarter. A draft Proposed Final Applicant Guidebook<sup>1</sup> detailing the process is available on the ICANN website. The final version is expected to be available by 20 June 2011.

### Impact on brand protection

Existing brand owners will need to consider the impact of the change from a brand-protection perspective. The prospect of unlimited gTLDs significantly increases the risks already facing brand owners on the internet, including possible trademark infringement, cybersquatting, brand dilution and consumer confusion arising from similar names.

For brand owners who do not wish to apply for their own gTLD, the following defensive procedures will be available:

- filing an objection to an application for a gTLD name with independent Dispute Resolution Service Providers;
- registering your trademark with a Trademark Clearinghouse, which is a database all gTLD operators must consult before registering a domain name;

<sup>1</sup> <http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-12nov10-en.pdf>

- filing an application via a Uniform Rapid Suspension Procedure to suspend an infringing domain name; and
- filing a complaint against a gTLD operator for infringement under a Post-Delegation Dispute Resolution Procedure (PDDRP) for determination by PDDRP Providers.

At this stage, the following independent bodies have agreed in principle to administer disputes:

- International Centre for Dispute Resolution for disputes relating to confusing gTLD strings;
- Arbitration and Mediation Centre of the World Intellectual Property Organisation for disputes relating to legal rights objections; and
- International Centre of Expertise of the International Chamber of Commerce for disputes relating to public interest and community objections

The proposed defensive procedures are described in the draft Proposed Final Applicant Guidebook.

These procedures are by no means comprehensive. Each imposes specific requirements and is limited in the type of relief a complainant may obtain. For example, the Trademark Clearinghouse will only accept registered trademarks. There are also fees involved with all four procedures, which are not recoverable even if the complainant is successful. The Government Advisory Council (GAC), which represents over a hundred national governments and organisations, has stated in its latest meeting with ICANN that it has continuing “fundamental concerns about the inadequacy of the proposed rights protection mechanisms.”<sup>2</sup>

## What you need to do

Although ICANN is still finalising the details of the new gTLD program, it has clearly stated its intention to open applications by October 2011. Brand owners will need to assess the costs and benefits of applying for a gTLD or implementing defensive strategies to protect their trade marks. Please contact us if you require any further information or assistance.

<sup>2</sup> “GAC indicative scorecard on new gTLD outstanding issues listed in the GAC Cartagena Communiqué” 23 February 2011  
<http://www.icann.org/en/topics/new-gtlds/gac-scorecard-23feb11-en.pdf>.

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