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'Reveal Day' glitch gives brand owners chance to revise strategies

It is ironic that the fabled roll-out of the new "dot anything" domain names by the Internet Corporation of Assigned Names and Numbers (ICANN) has been delayed by technical problems. On April 12 the application process for new generic top level domains (gTLDs) was suspended as a result of a "possible glitch in the software." When the suspension ends this month (barring another glitch), "brand" registrations, such as "pepsi," or even more lucrative "generic" domains, such as "beverage," will be closer to becoming the newest target marketing fad for the Internet. The glitch gives brand owners breathing space to tweak prior strategies by delaying "Reveal Day" — when ICANN will post the 1,400-plus (latest estimate) applied-for gTLDs at newgtlds.icann.org/en/program-status/application-results. Given the unanticipated large numbers of new gTLDs the process has generated, an initial strategy by brand owners to register a brand with all new domains is going to be unworkable. However, ignoring registration opportunities with so many new domains is similarly unwise. Instead, brand strategies must be revised to include a more nuanced approach to ".generic" domains and second level registrations — the space before the "dot" — balancing defensive and offensive strategies against a brand's market valuation.

In tweaking earlier strategies, each mark owner should engage in a three-step review. First, it should review its present brands to decide which ones are valuable enough to be defended against confusingly similar gTLDs. Oppositions must be filed within seven months of Reveal Day, which should occur around June 14. Trademark owners will be able to object if a new gTLD infringes an "existing legal right" in registered and unregistered trademarks. Legal rights objections must be filed with the Arbitration and Mediation Center of the World Intellectual Property Organization (WIPO). Among the factors that

WIPO will consider in resolving such objections are 1) the "likelihood of confusion with the objector's mark as to the source, sponsorship, affiliation or endorsement of the gTLD;" 2) whether the applicant "could not have reasonably been unaware" of the objector's mark; and 3) the applicant's prior bona fide use of the gTLD as a mark "in a way that does not interfere with the legitimate exercise of the objector of its mark rights." Initial filing fees for such challenges are high: \$10,000 for each objection. Successful objectors, however, will recover \$8,000 of this fee. Unfortunately, they will not secure any rights to the contested gTLD. To secure such rights, an objector must have already filed a competing gTLD application before the April 12 glitch. For more information about legal rights objections, including model complaints, see wipo.int/amc/en/domains/lro.

Objections may also be used offensively to prevent competitors from securing rights to keywords in the industry as ".generic" domains. Thus, if Coca Cola registered ".cola," Pepsi might want to oppose such registration particularly since ICANN has not obligated gTLDs to accept second-level registrations from competitors. As a second "tweak," mark owners should monitor gTLDs filed by competitors and others for relevant ".generic" domains to their industry. Although individual mark owners cannot oppose the registration of such common terms per se, a "community" objection might be filed by the appropriate trade association or other "established institution associated with a clearly delineated community." Such objection would require evidence that the objector is a viable representative of the community at issue and that opposition to the term is "substantial" among the community. The International Centre for Expertise of the International Chamber of Commerce, iccwbo.org, has been designated to determine community objections and should be

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posting information on the process later this year.

Finally, trademark owners should also take a hard look at the market value of registration of a particular brand as a secondary registration under a given domain. For example, "pepsi.beverage" may be a useful registration. By contrast, "pepsi.jewelers" might be less useful. Such second-level registrations will most likely not be available

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until next year given the present delay. But on Reveal Day, domains for which such registrations are desired should be flagged and monitored. Mark holders should also record any marks intended to be so registered with ICANN's Trademark Clearinghouse (TCH), which should be operational in October.

The TCH will serve as a central registry for marks approved for advance registration as second level registrations. Each newly approved gTLD is obligated to provide at least a 30-day "sunrise period" during which only the holders of marks validated by the TCH are given priority filing rights. TCH recordings are presently limited to nationally and regionally registered marks and marks "validated through court of law or other judicial proceedings." There is no limit in the number of secondary registrations that can be based on a single TCH recording.

On a more proactive note, brand owners should actively engage ICANN through public comments and letters for its failure to protect mark owners against abusive registration practices under the new gTLDs. Presently, only abusive practices based on the "bad faith registration" of domain names "identical or confusingly similar" to a complainant's mark will be actionable under post delegation dispute resolution procedures regarding secondary registrations. Refusals to register Pepsi on a "cola.com" website are not covered.

There is little question that the wide variety of new gTLDs that will appear on Reveal Day have the potential to enhance target marketing on a brand, product and even geographic level. Imagine the benefits of "coke.drink" or "Shakespeare.chicago." Such new opportunities, however, can also become a financial sinkhole without careful offensive and defensive planning. ICANN's glitch has given brand owners a needed second chance to fine tune their strategies. Irony notwithstanding, it is unlikely there will be another one.