

Protecting Your Brands In the New Domain Name Landscape

Do you want to protect your valuable brand from being used in any of the more than 1,000 new Top Level Domains (“gTLDs” - the letters to the right of the “dot” in a domain name) that will be launched in the coming months?¹ The answer is here; ICANN, the body responsible for the Internet’s naming system, has devised a Trademark Clearinghouse (the “Clearinghouse”) to help protect a trademark owner from an infringer’s registration of a second level domain (the name to the left of the “dot” in a domain name) combined with a new gTLD.

Time is of the essence. ICANN is planning to open the Clearinghouse in which brand owners can record their trademarks on March 26, 2013. ICANN also recently targeted April 23, 2013, as the launch date for the first set of gTLDs, although it has cautioned that many factors may prevent this goal from becoming a reality. Regardless of when ICANN actually approves the first set of gTLDs, the Clearinghouse is an important tool for any entity interested in protecting its trademarks as a second level domain name.

A. Why Seek Clearinghouse Protection?

The Clearinghouse allows for trademark owners to record their trademarks and police would-be infringers. Only Clearinghouse registrants have access to two important tools for second level domain name protections: the “Sunrise Service” (which, as explained below, gives a trademark owner a leg up on registering its brand name in combination with the new gTLDs as they are launched) and notification of potentially infringing domain names from the “Trademark Claims Service.”

B. Who Qualifies for the Clearinghouse?

To be included in the Clearinghouse, a word mark must be either registered, court-validated, protected by statute or treaty, or otherwise qualify as intellectual property. This evidence may consist of: a trademark registration;² a judicial decision recognizing the trademark; or other evidence that the mark “constitute[s] intellectual property.” Trademarks that do not exclusively consist of letters, words, numerals, or special characters may be included in the Clearinghouse if the textual element of the mark is “predominate” and “clearly separable

¹ A list of applied-for gTLDs can be found at <http://money.cnn.com/infographic/technology/new-gtld-list/>. ICANN has not yet published a list of approved applications.

² If a trademark registration will expire during the term for which it is submitted to the Clearinghouse, a copy of the renewal application must later be filed with the Clearinghouse.

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or distinguishable” from the mark’s non-textual elements.³ Marks that contain no textual elements may not be included in the Clearinghouse.⁴

C. What Should a Trademark Holder Submit to the Clearinghouse?

In general, a trademark owner should submit for recordation: (a) its “core” or principal marks (including design marks that contain textual elements and often-used variations on its core marks); (b) marks it wishes recorded for “defensive” purposes, if third parties likely will be trying to use those marks in connection with proposed new gTLDs (this should overlap with (a)); (c) important trade names that are also registered as marks, even if they are used chiefly as trade names; (d) marks that the companies anticipate registering in future gTLD launches, if any; and (e) any marks that the company foresees may become important in the future.

D. When do I Record with the Clearinghouse and How Much Does it Cost?

Recordation opens March 26, 2013. Basic fees for submission to the Clearinghouse are US\$150/mark for one year; US\$435 for three years; and US\$725 for five years.⁵ Recordation in the Clearinghouse must be renewed annually. Credit card payments are limited to ten trademarks per card; all other payments require a US\$15,000 deposit to the Clearinghouse. Trademark owners should submit their data to <http://trademark-clearinghouse.com>.

E. Trademark Clearinghouse Protections

1. The Sunrise Service

Intended to protect trademark owners from a “race to registration,” the Sunrise Service gives rightful trademark owners, whose trademarks are recorded in the Trademark

Clearinghouse and can prove current use of the marks, a “head start” in registering their marks as part of second level domain names in the new gTLDs prior to other, would-be registrants.

The mechanics of the Sunrise Service are fairly straightforward and there is no additional cost to opt-in for the Sunrise Services – so long as your brand is first recorded with the Clearinghouse. First, an applicant records its mark with the Clearinghouse, and then subsequently requests Sunrise registration of its mark with a particular domain name when a registry launches that domain name. A trademark owner who is interested in registering its mark in connection with new gTLDs must then keep a watchful eye on ICANN’s website, <http://www.icann.org>, which should publish notice when waves of registries launch. Once the Clearinghouse determines that a mark is eligible for Sunrise Services,⁶ it will provide the trademark owner with a Signed Mark Data (“SMD”) file for that mark, which the trademark owner may use to register domain names corresponding to the mark during the individual Sunrise Periods of the new gTLD registries.

The anticipated Sunrise Period for each registry will be at least 30 days before the launch of a new gTLD, during which time a rightful trademark owner may register its mark as a second level domain with the new gTLD, ahead of others who might try to reserve the same name.⁷ With this 30-day window, a trademark owner can use the SMD files obtained from the Clearinghouse to register with the individual gTLD registries as the gTLDs are approved and open their individual Sunrise Periods.

2. The Trademark Claims Service

The Trademark Claims Service warns third parties trying to register a second level domain that is *identical* to a trademark

³ *Trademark Clearinghouse Guidelines*, February 2013, at § 4.2.2 available at <http://trademark-clearinghouse.com/content/trademark-clearinghouse-guidelines-published>.

⁴ Likewise, marks that are the subject of opposition proceedings or cancelled registrations are not eligible for the Clearinghouse.

⁵ Voluminous filers earn “status points” for a discount under an “advanced model.” A discounted US\$145 one-year registration fee is available for 3,000 points; a discounted US\$95 one-year registration is available for those earning 100,000 points. One-year registrations each equal 1 point; three-year registrations equal four points; and five-year registrations equal seven points.

⁶ Participation in Sunrise Services requires proof of use of the mark. This proof entails two elements: (i) a signed declaration of use; and (ii) a sample of use such as a label or tag. Proof of use need only be updated every fifth year.

⁷ Clearinghouse registrants must monitor ICANN’s new gTLD website (<http://newgtlds.icann.org/en/>) for updates on when particular registries will open their Sunrise Periods. Theoretically, many registries (i.e., each registry within a particular launch wave) should open their Sunrise Periods at the same time.

already in the Trademark Clearinghouse that an identical trademark is already recorded in the Clearinghouse. The warning, called the “Trademarks Claim Notice,” does not provide ironclad protection to the trademark owner, because it will not block a third party from registering a domain name incorporating the trademark owner’s mark. It does, however, serve two purposes. The Trademark Claims Service puts the registrant on actual notice of the trademark owner’s rights, thus constituting evidence of bad faith in any litigation that the trademark owner may bring against that registrant. In addition, as previously noted, if the domain name registrant proceeds with the registration, the trademark owner will receive a notice informing it that a domain name that is an identical match to the trademark owner’s mark has been registered. The trademark owner receives this notice during the first 60 days of the general registration period.

In general, for the owners of valuable brands, the Clearinghouse is likely a worthwhile tool. Between access to the Sunrise Service and the Trademark Claims Service, a trademark owner will have invested in two potentially useful methods of protection against third party infringers.

If you have any questions about any of the topics discussed, please contact your Arnold & Porter attorney or any of the following attorneys:

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