

What Franchise Trademark Owners Need to Know About the New Internet Generic Top-Level Domains (gTLDs)

The Internet is undergoing a dramatic change that has significant implications for the use and protection of trademarks. June 13, 2012 marked "Reveal Day," when the international corporation that controls domain names, Internet Corporation for Assigned Names and Numbers (ICANN), published identifying information about applications for 1,930 new Generic Top-Level Domains (gTLDs).

Until now, web addresses have, for the most part, ended in such familiar gTLD extensions as .com, .net, and .org. There are currently 22 such extensions. There are also 280 country code Top-Level Domains (ccTLDs). In January 2012, ICANN launched a new program that allows public and private entities to establish gTLDs of their choosing using any letter and number combination (including non-ASCII characters used in foreign languages). Businesses can turn their own brand names into gTLDs, such as .microsoft, or form generic extensions based on product groups or geographic locations, such as .toys or .boston. The program significantly expands the Internet's Domain Name System (DNS) since there are now, theoretically, a virtually unlimited number of available gTLDs. Proposed gTLDs that pass the initial evaluation and face no formal objections could go into effect as early as next year.

Unfortunately, this innovation comes at a high price, as there is a serious potential for increased cybersquatting and other trademark-based concerns. Accordingly, brand owners in every industry need to understand the mechanisms available to protect their trademarks against infringement by the new gTLDs and, especially, by newly registered domain names within each of the new gTLDs.

The June 13 posting identifying the proposed new gTLDs triggered a sixty-day public comment period (ending on August 12, 2012), during which time anyone can submit feedback on active gTLD applications through a forum on ICANN's website.¹ During this time period, governments may issue an early warning objection to proposed gTLDs. For the next seven months, third parties will also be able to file formal objections to any application, using pre-established dispute resolution procedures.

Importantly, trademark owners will be able to file their marks with a centralized database, known as the Trademark Clearinghouse, to help protect them from infringement by new second-level domain names that are sought to be registered within the new gTLDs and from abusive conduct by gTLD operators. ICANN currently intends to open the Trademark Clearinghouse in October 2012.

Given the changing Internet landscape, brand owners need to be prepared to defend their trademarks against potential infringers in the new gTLDs. At a minimum, they should review the published list of proposed new gTLDs and consider whether a comment or formal objection is warranted. They should also, in most cases, register their important trademarks with the Trademark Clearinghouse when it is activated. Once certain of the new gTLD registries are activated, they should be added to the gTLDs and ccTLDs that a brand owner is currently monitoring for possible claims against domain name registrants or registry operators via established and newly created mechanisms.