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New Domain Name Dangers for Trademark Owners

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Trademark Owners may think that the announcements most recently in June 2011 of the sale of registries of new generic, top-level internet domains (commonly referred to as “gTLDs”) and back in March 2011 of the introduction later this year of new .XXX based domains (adult oriented) doesn’t necessarily involve them. They would be wrong, and ignoring these developments could prove to be costly if opportunities to block offending registrations are not taken.

Both the bigger news of the new opportunity to own a registry for a wide range of gTLDs and the more limited impact of the opportunity of others to register particular new .XXX domains could each have negative impacts on Trademark Owners. Trademark Owners cannot afford to ignore the importance, at a minimum, of taking defensive steps against others registering their marks, in whole or in part, as either part of a wide range of possible new gTLDs or as a particular .XXX domain.

The overall lack of interest in affirmatively pursuing ownership of the new gTLDs is related to the enormous estimated cost associated with these new domains, with an initial investment likely to exceed \$500,000, and ongoing annual costs for administering such a domain. Lack of interest in noticing who is registering domains under the .XXX domain may seem natural for companies not in the adult industry. However, what happens as to both of these is relevant to Trademark Owners even if they choose not to purchase a new gTLD, or if they have nothing at all to do with the adult entertainment industry.

Sorry, Trademark Owners, I know you have a lot of other things to do, but it is simply good and prudent business to pay some attention to the virtual truck that may be bearing down on your principal names or marks, even if it is occurring on a side street.

Do you really want a competitor or an adult industry business using your names or marks as either their new top level domain (so consumers will likely see www.companyname or www.home.companyname, in addition to the already existing www.companyname.com), or they might now see a company name as part of an .XXX domain (e.g. www.companyname.XXX)? In most instances the answer will be a resounding NO. If you don’t pay attention, the chances that this will happen will increase dramatically.

There are currently only 22 gTLDs, such as .com, .net, .org, etc. The change to almost limitless gTLDs (.auto, .lawfirm, .groceries, etc.) represents potentially a massive increase in the number of gTLDs depending on how many companies take advantage of the new gTLDs.

While the cost of owning a new gTLD registry is beyond the capacity of many businesses, it will be of interest to many well funded companies. Owning and operating a .cars domain registry may be valuable for some car manufacturers or dealers, and for those with businesses with layers, like franchisors or distributors, they may find that owning such a registry can bring more order to domains utilizing their highest profile marks.

Months before it approved the new gTLDs, the California based non-profit overseeing domains, the Internet Corporation for Assigned Names and Numbers or ICANN, had also announced, in March 2011, that it would be creating the .XXX internet domain for all adult content. Some in the adult industry objected to this creation because of added costs, and some governments objected to this, but ICANN was not dissuaded.

There will be a 30 day period for Trademark Owners not in the adult industry beginning in September 2011 to file their objections to registration of new .XXX internet domains and to give notice of their registrations and trademark rights to ICANN before any .XXX registrations are issued. Businesses should consult closely with their counsel to ensure that they are aware of the deadlines related to the .XXX domains and that they do not miss the opportunity either to file a defensive registration or to take steps to block others from registering their mark as a .XXX domain name. More information about the .XXX registration process, as provided by the registry for these domains, is found at [the ICM Registry site](#).

Similarly with the new gTLDs there is a process, albeit a different one that begins later, for giving Trademark Owners an opportunity to object to new gTLDs. The situation is a fluid one and Trademark Owners should contact their attorneys to get a complete and up to date picture.

Generally, this is the projected schedule at this time: A formal objection may be filed to any application that would result in a violation of a Trademark Owner's property rights. This may be filed at any time during the program's 60-day public comment period (On January 12, 2012, ICANN will begin to accept new gTLD applications. There is projected to be a 60-day application window followed by the 60-day public comment period). The objection then initiates a dispute resolution proceeding as to each of the objected to gTLDs.

In the run up to ICANN's formal announcement in June about the new gTLDs, and thereafter, ICANN has been subject to considerable criticism. For a recent example, please see the article in [Financial Times](#) in July 2011 that raised questions about ICANN's governance of domains.

Trademark Owners should understand that the New gTLDs may include virtually any word including their trademark or business name. Similarly, if there is no objection, the new .XXX domain may result in registrations for a business' mark or name followed by xxx. The hypothetical Acme Shoe Company, for example, might be confronting a third party, involved in some manner in sale of shoes, owning .acme, or an adult entertainment site located at acme.XXX.

Necessary and Prudent Follow Up. This article was meant only as a very general introduction to the new gTLDs and the new .XXX domains. Trademark Owners who ignore these developments do so at their own peril. This is a time when Trademark Owners need to consult with their attorneys, whether in house or outside, to make sure that they are at least aware of the deadlines for objecting to third party registrations that would infringe or impact on the Trademark Owner's rights.

Bacal Andersen & Garrison Law Group regularly represents clients as to a wide range of internet law matters. Glenn Bacal was one of the first lawyers to have his own internet site, and

was the principal author of an early, widely used resource on internet resource, namely Bacal's Internet Legal Research Guide. This Guide was published for over a decade by the American Law Institute- American Bar Association (ALI-ABA). Mr. Bacal has also regularly lectured and chaired panels on internet law, including at one of the leading organizations in the world, The International Trademark Association. David Andersen has worked on many internet projects, including domain name disputes, and has extensive experience in preparing terms and conditions, privacy policies and other website related legal documents.

This article is provided for informational purposes only. If you have a specific legal issue that needs to be addressed, you should consult your attorney.