

New Domain Name Expansion Leads To The Trademark Clearinghouse - Is It Really The Trademark Owner's Silver Bullet?

Written By **Angela P. Doughty, CIPP/US, AIGP** (apd@wardandsmith.com)

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Domain Registrations - What's Changing?

Currently there are 22 domain extensions, called generic top-level domains (gTLDs) (.com, .org, .edu, and .net to name a few), available to direct internet users to specific web addresses. As early as this summer, the international body responsible for the Internet domain naming system, ICANN, is expected to authorize thousands of new gTLDs, such as .bank, .shop, and .software. Once the gTLDs are authorized, the domain registries that operate these gTLDs (e.g., GoDaddy, SafeNames, etc.) can begin accepting registrations for second-level domains (SLDs) for these new gTLDs. A second-level domain name is the text between the "www" and the gTLD and can be anything including a valuable trademark (e.g., in www.wardandsmith.com, "wardandsmith" is the second-level domain name). Unfortunately, while there will be more gTLDs available, the expansion is expected to exacerbate the already rampant issue of trademark infringement and cybersquatting.

What Mechanisms are Available to Protect Trademarks?

ICANN, in conjunction with the authorization of the new gTLDs, established a range of trademark-based "Rights Protection Mechanisms" (RPMs), which will be available once the new gTLDs are approved. The RPMs available to trademark owners will include a Trademark Clearinghouse (TCH), a Uniform Rapid Suspension system (URS), and a Post Delegation Dispute Resolution Procedure (PDDRP). The existing Uniform Dispute Resolution Policy (UDRP) will also apply to new gTLDs.

While the URS, PDDRP, and UDRP systems are trademark protection and enforcement mechanisms, these procedures can only be used after an infringing domain has been registered. The TCH, for the first time, offers trademark owners an efficient and manageable proactive trademark protection and enforcement mechanism that can be used before the infringing domain registration occurs.

What Is the Trademark Clearinghouse?

The TCH is a centralized trademark database intended to make it easier for trademark owners to prevent and monitor potentially infringing domain registrations under these new gTLDs. The TCH will accept nationally or regionally registered marks (including foreign registrations) and court-validated marks, but not state registered marks.

The TCH offers trademark owners two important services - the Sunrise Service and the Trademark Claims Service - and only those trademarks registered with the TCH are eligible for these services.

- Sunrise Service: Each new gTLD registry must offer the trademark owners registered as part of the TCH

the option of purchasing the SLDs corresponding to their trademark under the new gTLD at least 30 days before the SLDs are made available to the public.

- Trademark Claims Service: For the 60 day period following the launch of the new gTLD, the new gTLD registries must notify applicants if their applied-for domain matches a trademark registered with the TCH. If the applicant proceeds with the registration of the domain, the registry must notify the trademark owner of the registration of the potentially infringing domain.

Each new gTLD registry will be required to cross-reference the TCH database when an applicant attempts to register identical second-level domains during the registry's Sunrise and Trademark Claims Periods. The TCH registration services are limited to exact matches of a domain to a registered trademark; typos, slight misspellings, and/or registrations of trademarks with additional terms are not covered.

Should Everyone Use the TCH?

Because the TCH will cost \$150 per mark for a one year registration, \$435 per mark for three years, and \$725 per mark for five years, trademark owners must analyze the costs and benefits of the TCH before deciding which, if any, marks to register.

Trademark owners must also understand the TCH limitations. The TCH does not prevent third parties from registering their trademark or variations of their trademark as an SLD, and the TCH services are limited to the 90 days following the release of each new gTLD.

The TCH offers trademark owners two distinct services: (i) the opportunity to register their trademark as an SLD under the new gTLD before the general public and (ii) the deterrence of third party applicants from registering infringing domains by advising applicants of the potential infringement and then notifying the trademark owner if the potentially infringing domain is registered. Trademark owners should be aware that the TCH does not block the domain registration. Instead, it is the trademark owner's responsibility during the Sunrise Period to proactively register those domains that the owner would not want a third-party to own or to dispute the registration of an infringing domain upon receiving notice of the registration under the Trademark Claims Period through the other RPMs (URS, PDDRP, and UDPR). It also remains the responsibility of the trademark owner to monitor and enforce its trademarks through the UDRP outside of the 90 day TCH Services.

Conclusion

The TCH Services afford trademark owners an unprecedented way to monitor SLD registrations, however, the TCH has limitations and given its novelty, the TCH's reliability and importance is difficult to predict. Even where a trademark owner opts to participate in the TCH Services, the TCH should only be a part of the owner's overall trademark monitoring, protection, and enforcement policy.

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