NEW CLEARINGHOUSE TO PROTECT BRAND OWNERS AGAINST DOMAIN NAME ABUSE OPENS MARCH 26

In connection with the anticipated launch of new domain name extensions as early as April 2013, brand owners soon will have new procedural protections at their disposal. Beginning on March 26, brand owners can begin submitting their trademarks to a Trademark Clearinghouse supervised by the Internet Corporation for Assigned Names and Numbers (ICANN). ICANN has created the Clearinghouse, a trademark database, as a means of protecting trademarks during the initial launch of the new domain name extensions, otherwise known as generic Top Level Domains, or gTLDs.

In Web addresses, Top Level Domains are essentially the portion of domain names located to the right of the dot. In recent years, the number of gTLDs has expanded to 22, the best known of which is “.com.” That fixed universe of gTLDs is about to change dramatically, however, as ICANN is in the final stages of allowing potentially unlimited gTLDs. For the most part, these new gTLDs will consist of generic category terms (e.g., .music, .charity), geographic designations (e.g., .miami, .swiss), or company and brand names (e.g., .ford,.canon). A list of the applied-for new gTLDs is available on the ICANN website (http://newgtlds.icann.org/en/program-status/application-results/strings-1200utc-13jun12-en).

The expanded universe of gTLDs will increase the potential for trademark infringement. Brand owners soon may have to expand their monitoring and enforcement to a growing list of new gTLDs, increasing the burdens associated with online review and, in some cases, defensive domain name registrations. For example, a car manufacturer now may need to contend with potential infringers seeking to register the manufacturer’s brand as part of a new gTLD (e.g., subaru.auto or subaru.car).

In response to these increased pressures on brand owners, ICANN is introducing the Trademark Clearinghouse. The Clearinghouse’s authenticated trademark information will support certain protective mechanisms intended to mitigate the risks accompanying the new gTLDs. In particular, registration with the Clearinghouse will make it easier for existing brand owners to register domain names using their existing trademarks and to know when someone else is attempting to register a potentially infringing domain name.

**Which Brands Qualify?** Only registered trademarks, judicially validated common-law (unregistered) marks, or trademarks protected by statute or treaty are eligible to participate in the Clearinghouse. In other words, very few unregistered trademarks, no pending trademark applications, no invalidated trademark registrations, or any marks registered only at the state level are eligible. Trademark owners seeking registration with the Clearinghouse should be prepared to submit supporting documents, such as a copy of the registration or relevant ownership information and a sworn statement. Specific requirements are set forth in the Trademark Clearinghouse Guidelines (http://www.trademarkclearinghouse.com/sites/default/files/files/downloads/TMCH%20guidelines%20v1.0%20_1.pdf).

**What Are the New Protections?** The two primary benefits of registration with the Clearinghouse are a so-called Sunrise Service and a Trademark Claims Service. The Sunrise Service mandates that the registrars of new gTLDs provide trademark owners whose marks are registered with the Clearinghouse (and have submitted proof of use) at least a 30-day period in which to pre-register second-level domain names exactly matching their Clearinghouse-registered trademarks. For example, Nikon, if it has registered its Nikon house brand with the Clearinghouse, may be able to register <nikon.film> (“nikon” is the second-level domain in <nikon.film>) before the public can freely register domains as part of the new .film gTLD. Brand owners whose marks are registered in the Clearinghouse will be notified whenever a Sunrise for a new gTLD is scheduled.

The second potential benefit available to marks registered with the Clearinghouse is the Trademark Claims Service. Within at least the first 60 days from the launch of a new gTLD, the registrar will alert trademark owners when someone seeks to register a domain name exactly matching their mark if it is registered in the Clearinghouse. Notice of the potential conflict is first sent to the party seeking to register the domain name; if that party proceeds with registration, the trademark owner whose matching mark is registered in the Clearinghouse is notified.

**How Much Does This Cost?** Clearinghouse registration fees are $150 for one mark for one year, $435 for three years, and $725 for five years, although bulk registrations may be eligible for special pricing. These filing fees are to be paid to ICANN.

**Are There Limitations on These Protections?** Notably, the Sunrise and

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Claims Services are only triggered by “identical matches.” This is a very narrow filter and it remains possible, even likely, that close variants of trademarks will not be identified. Likewise, the protections are potentially for a narrow window of time; for the Sunrise Service, only 30 days within the pre-launch period, and for the Claims Service, a minimum of 60 days from launch of the new gTLD. However, the new gTLD registrars are free to expand these windows.

What Other Considerations Are There for Brand Owners? Brand owners should consider carefully whether participation in the Clearinghouse is appropriate for their marks. If a brand owner intends to take advantage of Sunrise registration, it is advisable to register in the Clearinghouse sooner rather than later. Likewise, the Claims Service can help guarantee notice of early registrations for new gTLDs identical to core brands that have been registered in the Clearinghouse. Beyond the Sunrise and Claims protections, registration in the Clearinghouse may help signal a brand owner’s commitment to brand protection, potentially deterring third parties from pursuing abusive gTLD registrations.

As mentioned above, brand owners can expect to pay roughly $150 per mark, and thus Clearinghouse registration may not be cost effective for a large portfolio of brands. In addition, the Clearinghouse-based protections are focused on the time period around the launch of new gTLDs, as they are only required in the 30 days before and 60 days after a new gTLD goes live, and are further restricted to identical matches. Thus, the Clearinghouse protections may be less valuable than other available brand protection mechanisms, such as routine review of trademark or domain name watch notices.

In some situations, it may be more practical to utilize arbitration procedures later to challenge problematic domain name registrations rather than to attempt to deploy the Clearinghouse-based Sunrise and Claims procedures at inception. Similarly, in connection with the launch of the new gTLDs, ICANN has introduced a Uniform Rapid Suspension (URS) system as a fast-track arbitration process for clear-cut cases of abuse. Registration in the Clearinghouse is not required to use the URS.

Accordingly, registration in the Clearinghouse may make sense for some brand owners and marks, but perhaps not for others. And, of course, participation in the Clearinghouse merely augments—but is not a substitute for—brand owners’ general trademark monitoring and enforcement practices.


Brand owners seeking to assess their eligibility and to determine whether participation in the Clearinghouse best fits their needs should contact Aaron Hendlman, John Slafsky, or another attorney in Wilson Sonsini Goodrich & Rosati’s trademarks and advertising practice.