



NEW ERA FOR DOMAIN NAMES

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A recent ICANN (Internet Corporation for Assigned Names and Numbers) decision could have a major impact on the way domain names are used and incidentally cause headaches for trademark owners.

Indeed, on June 20, 2011, ICANN's Board of Directors adopted a resolution allowing the creation of new generic top level domains (gTLDs) in addition to the 22 actual domains, which include ".com", ".net", ".org", and the latest addition ".xxx" which is planned to go live later this year. As an aside, trademark holders who wish to prevent the use of a trademark in association with the adult oriented domain, may exclude and block their trademark in the ".xxx" domain during the *Sunrise Period*, which will take place from September 7 to October 28, 2011.

The new gTLDs may result in the emergence of new domains for generic terms such as ".sport" or ".film", for cities such as ".newyork" or ".nyc", for interest groups like ".climate" and for trademarks like ".canon" or ".deloitte", the latter being among the few companies who have already publicly stated their intention to apply for a gTLD.

Even though the prospect of managing a new gTLD may be appealing, particularly from a marketing perspective, potential applicants should consider several factors before submitting an application. In addition to incurring application fees of U.S. \$185,000, candidates must ensure that they possess the technical capabilities and financial resources necessary to, among other things, operate a gTLD in a secure and stable manner, offer "Whois" services concerning second level domain names in the gTLD, implement measures for protection of country and territory names in the gTLD, maintain an abuse point of contact and deliver monthly reports to ICANN.

For trademark holders, ICANN's decision implies increased probabilities of seeing one of their trademarks used within a domain name. There are, however, mechanisms in place to help trademark holders protect and promote their brand. Accordingly, a *Sunrise period* will be available to provide an early opportunity for registered trademark holders to register names in the gTLD. Moreover, during the

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Sunrise period, if a trademark is recorded in the Trademark Clearinghouse, Trademark Claim services will provide notification to potential registrants of existing trademark rights and the rightsholder on the trademark will be notified that a third party is attempting to register the trademark. In addition, in the event of a dispute concerning a domain name, a plaintiff will have the choice between the current UDRP procedure (Uniform Domain Name Dispute Resolution Policy) and the new URS procedure (Uniform Rapid Suspension System). The major differences between the new URS procedure and the UDRP procedure is that the URS is supposedly cheaper, faster and can result in the suspension of the domain name for the duration of the registration period, instead of the transfer or cancellation of the domain name provided under the UDRP.

Only time will tell the extent of the transformation brought on by ICANN's new policy, as the magnitude of this decision will depend on how many new gTLDs are created and the amount of new second level domains for each of these gTLDs. A strong response could considerably modify the domain name landscape, and resulting marketing strategies. However, if the rather limited use of certain existing domains (such as ".pro" and ".names") is an indicator of the public enthusiasm for new domain names, the overall impact on domain names could be much lower than expected. Whatever the case may be, the answer to this question will not be known for some time, as the arrival of the new gTLDs is not expected until the end of 2012.



