

On 12 January 2012 the Internet Corporation for Assigned Names and Numbers (ICANN) officially opened the application process for its New Generic Top-Level Domain programme (New gTLDs). Applicants have until 12 April 2012 to submit their applications. See our client alert in October 2011 for our initial announcement.

While this will provide additional opportunities **for companies to exploit their brand and expand business opportunities** there are also a number of associated risks and cost implications which must be considered and borne in mind, not just by those applying for a New gTLD but by all organisations. Some key considerations and action points are set out below:

- **Apply Now (if you haven't already):** Preparation of an application is complex and as of 12 January 2012 there were only 90 days left to prepare a comprehensive application.
- **Budget Wisely:** The application fees are costly, being \$185,000. In addition, fees associated with obtaining and overseeing a New gTLD could run to hundreds of thousands of pounds or dollars or more. Bear in mind, too, that the entire process is controversial and it is wise to budget for unexpected challenges to the application. Organisations will need to factor in the cost implications of preparing and/or objecting to an application in their 2012 budgets.
- **Know Key Dates:** The first wave of applications must be submitted by 12 April 2012. The complete applicant list is scheduled to be published by 1 May 2012.
- **Protect Your Brand:** It is vital that every organisation (whether or not your organisation is applying for a New gTLD) watches out for applications containing their trademarks and brands, and plans a response to any third party applications during the objection period which commences at publication of the list by ICANN.
 - **How to Object:** ICANN published an updated version of the Applicant Guidebook on 11 January 2012 and module 3 of the Guidebook deals with objection procedures. Approximately two weeks after the application window closes in April, ICANN will post the public portions of all applications on their website. A formal objection can only be filed on four grounds (string confusion objection, legal rights objection, limited public interest objection and community objection) and the objector must satisfy certain standing requirements to have their objection considered. An objection must be filed by

the posted deadline date (we presume the deadline date for objections will be published by ICANN when they publish the public portions of all applications) to the appropriate Dispute Resolution Service Provider (DRSP). There are different DRSP's depending on the objection ground that is filed. The objector must also pay a fee (ICANN estimates that filing fees could range from US \$1000 – 5000 (or more) per party per proceeding. However, you should refer to the appropriate DRSP for the relevant amount) at the time that the objection is made in the amount set by the relevant DRSP; in the event that this is not paid, the objection will be dismissed. Applicants whose applications are the subject of an objection have the following options: work to reach a settlement with the objector which results in the withdrawal of the objection, file a response to the objection and enter the dispute resolution process or withdraw and the application will not proceed any further. It is thought that the formal objection period will last approximately seven months. It should also be noted that in the event of a formal objection, an advance payment of costs is also payable to the applicable DRSP in an estimated amount to cover the entire cost of the proceeding, and this could run into tens of thousands of pounds or dollars.

- **Trademark Clearinghouse:** The Trademark Clearinghouse ("Clearinghouse") will be a central repository for information to be authenticated, stored and disseminated, pertaining to rights of trademark holders. The Clearinghouse service provider has not been appointed yet. ICANN is expected to announce the Clearinghouse service provider by the end of February 2012. The standards for inclusion in the Clearinghouse are:
 - payment of a fee (presently unknown how much this will be as the Trademark Clearinghouse service provider has yet to be announced);
 - registered word marks from all jurisdictions;
 - any word mark validated through a court of law;
 - any word mark protected by a statute or treaty in effect at the time the mark is submitted to the Clearinghouse;
 - other marks that constitute intellectual property; and
 - protections afforded to trademark registrations do not extend to applications for registrations, marks within any opposition period or registered marks that were the subject of successful invalidation, cancellation or rectification proceedings.
- It should also be noted that inclusion in the Clearinghouse is not proof of any rights nor does it create any legal rights.

- The relevant ownership documents also have to be filed with the Clearinghouse as well as a declaration by the mark holder that the information provided is correct. Costs are to be completely borne by the parties utilising the services. It is expected that the Clearinghouse will be open later in 2012 or in early 2013.
- **Review Domain Name and Trademark Portfolio:** Each organisation must review its domain name and trademark portfolio to ensure that it is comprehensive and also to ensure that it gets rid of any unneeded registrations.

For further information please contact Philip Zender or Susan Billheimer in the US, Lianne Bulger in the UK or your Squire Sanders contact, or follow the link to the ICANN New gTLD webpage: <http://newgtlds.icann.org/en/>.

Philip Zender

Partner, San Francisco

E: philip.zender@squiresanders.com

Susan Billheimer

Senior Associate, Northern Virginia

E: susan.billheimer@squiresanders.com

Lianne Bulger

Senior Associate, London

E: lianne.bulger@squiresanders.com

Link to previous alert on the subject

http://www.squiresanders.com/launch_of_new_generic_domain_review/

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations nor should they be considered a substitute for taking legal advice.

© Squire Sanders.