ICANN’s New Generic Top-Level Domain Program and Application Results

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I. Introduction to Generic Top-Level Domains

The Internet Corporation for Assigned Names and Numbers (ICANN) was formed in 1998 to oversee a number of Internet-related functions, including the domain name registration procedure that had been previously regulated by the Internet Assigned Numbers Authority.² Since its inception, ICANN has worked towards developing the Internet space to accommodate an increasing number of online businesses, communities, and other specialized cohorts of society. Keeping with its aims to constantly improve the Internet, ICANN recently launched a program that it hopes will help further organize the Internet by allowing companies, communities, and individuals to apply for Generic Top-Level Domain (gTLD) strings.³ This article will summarize the developments in the gTLD expansion program and discuss potential issues that may arise as ICANN moves forward with delegating new gTLD strings.

Understanding the problems associated with recent gTLD applications is of crucial importance especially because the new system pits some of the most volatile areas of law against one another. Not only does the new gTLD expansion cause conflicts between free speech rights and currently held intellectual property rights, it also implicates serious antitrust and international legal doctrines. Accordingly, because many of the applications either try to reconcile these conflicts or instead accentuate them by the frameworks they propose, it is imperative to first examine the full pool of applications to gain an understanding of the potential pitfalls that ICANN will likely have to navigate around in the coming months.

A. Brief History

The gTLD expansion program, which was originally proposed as early as 2003, is designed to “open up” the Internet and allow registrants to identify with certain words, geographic locations, and even some brand names.⁴ After the idea sputtered for a couple of years, ICANN revived the gTLD expansion proposal in 2008 and has since worked rigorously to roll out new gTLD strings in a series of phases.⁵ The original aim of the gTLD expansion program was to roll out new TLDs as early as January 2013; however, due to errors in the application system and administration of the program, the anticipated roll out date will likely be in mid- to late 2013.⁶ While the gTLD program has been met with stark criticism and has already suffered from a number of crucial miscalculations, it appears that the gTLD delegation process will continue to move forward.⁷ Accordingly, it is

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⁷. See generally Michael Berkens, The Top Policy Mistakes ICANN Made in the New gTLD Program, The Domains (July 24, 2012), http://www.thedomains.com/2012/07/24/the-top-policy-
imperative that trademark attorneys, brand owners, and aspiring entrepreneurs familiarize themselves with the new gTLD system and what it could mean for creating and protecting a commercial identity.

B. COMPONENTS OF GTLD STRINGS

Domain names are part of the Uniform Resource Locator (URL), and consist of two to three parts. First, there is the “top-level domain,” which is the series of letters (also known as a “string”) to the right of the dot. Next, there is the “second-level domain,” which is the string of letters and numbers to the left of the dot, and is usually referred to as a domain name. While the gTLD program may appear to only directly impact brand owners in the top-level domain space, it is crucial to remember that each TLD will hold a near infinite number of second-level domains. As a result, the collateral effects and costs of the TLD system on second-level domains will remain relatively unknown for the first few years, much like the period following the advent of the Internet. However, since it would be too speculative to discuss the impact of the gTLD system on second-level domains in great detail, this article will largely discuss and focus on top-level domains.

Top-level domains can come in one of three forms: (1) generic, (2) country code, and (3) internationalized domain names. Generic top-level domains (gTLDs) consist of three or more characters and are typically regarded as general use domains; however, a subset of gTLDs, called “Sponsored Top-Level Domains” (sTLDs) are restricted and cannot be registered by the general public. There are a total of twenty-two gTLDs currently available, although that number could increase drastically depending on the success of ICANN’s gTLD program and individual applications. Country code Top-Level Domains (ccTLDs) typically refer to geographic locations and the two-letter country abbreviations associated with each. Over the years, an increasing number of domain names have been registered using country codes—whether for legitimate business purposes specific to a geographic location, or illegitimate/counterfeiting activities. Country codes have not been discussed at great length in ICANN’s gTLD proposal or many of its filings, and will therefore remain relatively unchanged. On the other hand, Internationalized Domain Names (IDNs) will be a new part of the TLD namespace under the gTLD program and will allow international consumers to have greater access to web resources. Like all other TLDs, IDNs will still be to the right of the dot, but will consist of characters in non-Roman scripts. While 1,930 gTLD applications have been filed, including 116 IDNs, not all of the applications will be approved and are subject to the remaining portions of the gTLD timeline.

Although the dates for the gTLD timeline have been pushed back due to some missteps by ICANN, the time periods remain largely the same. Thus far, ICANN has already received all of the applications for the first phase of the gTLD program, and the sixty-day public comment and Governmental Advisory Committee early warning periods will be coming to an end relatively soon. The seven-month objection period is currently underway and should be ending in early 2013, barring any extensions. The initial evaluation period, which started on July 12, 2012, will also extend well into the next year, and the results will likely be published sometime in 2013. Finally, sometime thereafter, ICANN will allow the first new gTLDs to become operational. Of the 1,930 applications that have been filed, it seems that a large number of them will necessarily impact certain industries.

15. GUIDEBOOK, supra note 3.
16. Id. [editor’s note: the public comment period and Governmental Advisory Committee early warning period have now concluded].
18. Id.
and/or communities and their online presence. Accordingly, a review of the applications beyond the numbers is arguably essential to effectively protecting trademark rights in the coming years.

II. CURRENT gTLD APPLICATIONS

Of the 1,930 applications for new gTLDs, 84 were community applications, 116 were IDNs, and 66 were geographic strings. North America and Europe alone accounted for over eighty percent of all new gTLD applications, while Latin America and Africa accounted for only two percent, and the Asia/Pacific realm made up the remaining eighteen percent. Although the number of applications filed in various regions of the world varies greatly, many of these applications implicate overlapping strings, trademarks, and industries.

A. COMPANIES

A little more than 600 of the 1930 gTLD applications were filed by just a handful of companies, such as Google, Inc., Donuts, Inc., and Top Level Domains Holding Ltd. Some of these companies elected to apply for gTLD strings to protect and advance their brand reputation while others used the opportunity to open up to the general public for registration and increased profits. For instance, Donuts, Inc. applied for the most strings with 307 applications under various aliases and on behalf of a number of clients. Donuts indicated in many of its applications that it would allow anyone even loosely associated with a particular string to register for a domain name in that namespace. Donuts’ applications include strings such as *.apartments, *.free, and other everyday words.

Other companies like Google, Inc., which was originally said to have applied for the most TLDs under the alias “Charleston Road Registry, Inc.,” will likely use the gTLD expansion to promote its own products and commercial identity. However, Google has also applied for a number of everyday terms as well, which it may eventually also open up to the general public for registration and additional revenue. Google’s applications included TLDs ranging from product-specific strings like *.android to commonplace terms like *.day. Google also applied for three IDNs, two of which cover the Chinese and Japanese translations of the word “Google,” and one for the Japanese translation for “everyone.”

Top Level Domain Holdings Ltd., which is currently chaired by the former ICANN President Peter Dengate Thrush, applied for roughly ninety-two gTLD strings. Of these gTLD applications, some are purportedly “joint ventures,” while a slightly larger number are on behalf of clients of the subsidiary Minds + Machines, and the remaining applications will be retained by Top Level Domain Holdings. Most of Top Level Domain Holdings’ own sixty-eight applications can be described as speculative since they seem to have applied for everyday words like *.cooking, *.review, and *.work, without any substantive interest in the terms. Amazon, which applied for seventy-six TLDs, likely used its Luxembourg corporation to attempt to gain an advantage in the gTLD delegation process. Of these seventy-six applications, Amazon applied for only nine brand-specific TLDs in Roman and non-Roman scripts; the remaining sixty-seven applications were for common descriptors and everyday terms as well, which it may eventually promote its own products and commercial identity.

Peter Dengate Thrush will be stepping down as the chair of Top Level Domain Holdings at the end of January 2013 but will remain as an adviser to some of the company’s clients. See Press Release, Top Level Domain Holdings, Proposed Board Change (Oct. 18, 2012), available at http://www.investegate.co.uk/Article.aspx?id=2012101807000994970.

26. Id.
27. Id.
28. Id.
29. Peter Dengate Thrush will be stepping down as the chair of Top Level Domain Holdings at the end of January 2013 but will remain as an adviser to some of the company’s clients. See Press Release, Top Level Domain Holdings, Proposed Board Change (Oct. 18, 2012), available at http://www.investegate.co.uk/Article.aspx?id=2012101807000994970.
32. Id.
34. Id.
the applications also include a number of strings that could be problematic for trademark owners if domain name registration was open to the public.

B. Words

Roughly 650 applications have been filed for what could be regarded as brand-related strings.\(^{35}\) On the other hand, nearly 1,100 of the applications are for common words like *.casino, *.hotel, and *.web.\(^{36}\) The remaining approximately 180 applications were either for community-based strings, geographic strings, or both. Of these strings, some involve competing trademark interests like *.merck or trademarks versus words that are frequently regarded as generic such as *.esq, *.eco, *.express, and *.visa. While many of the gTLD applications can be regarded as proposing new strings, a number of companies have applied for overlapping words and/or phrases. Of these overlapping words and phrases, only 751 applications are exact matches for 230 strings.\(^{37}\)

The *.app string, in particular, was the most frequently sought out TLD and had thirteen applications, including a number of applications from top “app” industry contenders like Google and Amazon.\(^{38}\) Surprisingly enough, however, Apple did not apply for the *.app string, which may be indicative of the tech giant’s reluctance to over-expand its online presence beyond its Apple trademark. The next two strings that were most frequently applied for were *.home and *.inc, with eleven applications each.\(^{39}\) Most of the applications for *.home and *.inc have been filed on a speculative basis by the same handful companies that account for nearly one third of the 1,930 application pool.\(^{40}\)

C. Industries

A significant number of industries took no chances of allowing competitors to get ahead and thus had a substantial impact on the application pool. The insurance industry, in particular, comprised a noteworthy segment of gTLD applications, both for brand names like *.amica, *.progressive, and *.statefarm as well as for common industry terms such as *.autoinsurance and *.lifeinsurance. Some top insurance companies, like Geico and Liberty Mutual may face a tougher time in the coming years trying to corner the market if the gTLD expansion is indeed as successful as ICANN anticipates.

The technology industry also took the initiative to apply for the trademarks and terms of its various members. Amazon, for instance, applied for *.amazon, *.kindle, and *.store. However, since the market for the technology industry is saturated with so many competitors, it is unclear whether the new gTLDs will actually create a barrier to success for companies that applied for few or no gTLDs. For example, Apple’s decision to apply only for *.apple may be strategically geared to boost the brand image associated with its goods. Instead of having to develop its commercial identity in various sectors of the Internet like Google and Amazon decided to do with *.fun, *.group, and *.you, Apple can now broadcast to the world that the only place to obtain authentic Apple products is on the *.apple TLD.

The hotel and auto industries also applied for a significant number of gTLDs—though almost all of the applications were brand-specific. Car manufacturers like Ferrari, Nissan, General Motors, Toyota, and Honda were just a few of the many applicants for brand-specific TLDs. Many generic terms like *.auto and *.cars are now contention sets with applicants like Donuts, Inc., Google, and Top Level Domain Holdings who will likely open up registration to the general public.\(^{41}\) The hotel industry also experienced a similar phenomenon, with large companies like Hilton, Hyatt, and Marriott applying for TLDs for their brand names and leaving generic terms like *.hotel and *.hotels to non-hotel chain entities such, Donuts, Inc., Google, and Top Level Domain Holdings.\(^{42}\)

III. Trademark Objections

The objection procedures described in the Applicant Guidebook appear to provide trademark owners with the opportunity to reclaim and defend their rights from infringing domain names.\(^{43}\) Despite the objection procedures, which are described in further detail below, there will inevitably be an abundance of trademark concerns under the new gTLD expansion, including an increased cost for protecting one’s rights. However, the various

\(^{35}\) Id.
\(^{36}\) Id.
\(^{37}\) Id.
\(^{38}\) Id.
\(^{39}\) Id.
\(^{40}\) Id.
\(^{36}\) Id.
\(^{41}\) Id.
\(^{42}\) Id.
\(^{43}\) GUIDEBOOK, supra note 3, at Module 3: Objection Procedures.
A. AVAILABLE OBJECTION PROCEDURES UNDER THE NEW gTLD PROGRAM

Prior to the delegation of gTLDs, third parties may file objections to an application on one of many grounds under the Legal Rights Objection procedures. An independent panel of one to three experts appointed by the World Intellectual Property Organization (WIPO) will determine whether the applied for string would infringe on the legally protected rights of a third party. Legal rights objections may be raised in cases where an applied-for gTLD (1) unfairly takes advantage of a registered or unregistered mark’s distinctiveness or intergovernmental organization’s (IGO’s) acronym, (2) unjustifiably impairs the distinctiveness of a mark’s or IGO’s reputation, or (3) creates an “impermissible” likelihood of confusion. The operative test for a trademark claim raised under the Legal Rights Objection procedure involves eight factors similar to the renowned Polaroid factors. Objectors and respondents will file paper pleadings pursuant to the procedures outlined in Module 3 of the ICANN Applicant Guidebook, and they will have objections resolved by a panel of one to three experts appointed by WIPO.

There are also a handful of other pre-delegation objection procedures that trademark owners and members of the public with standing may use to address concerns raised by a particular application. Alternative pre-delegation objections involve “String Confusion Objections,” “Limited Public Interest Objections,” and “Community Objections.” String confusion objections can be raised in cases where the string that has been applied for is confusingly similar to an existing TLD or another application. Limited public interest objections and community objections, on the other hand, are derived from norms of morality and/or opposition by the relevant community that a new TLD would affect.

The Trademark Clearinghouse established by ICANN and the World Intellectual Property Organization (WIPO) is one of the more recent measures to address trademark concerns in the new gTLD system. The Trademark Clearinghouse authenticates and supports the new “Sunrise or Trademark Claims Services” through which trademark owners can monitor whether an infringing domain name has been registered and request that the registry take action to resolve the issue immediately, thus avoiding costly litigation or dispute resolution procedures. Similar to the Trademark Clearinghouse procedure, the Uniform Domain Name Dispute Resolution Policy (UDRP) is operated in conjunction with the WIPO Arbitration and Mediation Center. The UDRP provides a mechanism through which trademark owners may challenge bad faith or fraudulent domain name registrations that infringe on their trademark rights.

49. See id. at 51.
50. See id. at 4.
51. See id.
52. See Trademark Rights Protection Mechanisms for New gTLDs, supra note 44.
54. See Uniform Domain-Name Dispute Resolution Policy, supra note 53.
often prefer to use the UDRP procedure instead of initiating litigation because most decisions are quick, inexpensive, and typically involve default judgments where defendants are indeed bad-faith actors.\(^57\) However, unlike the Trademark Clearinghouse, this procedure is more costly and can only be implemented after the domain has been registered.\(^58\) Although the new ICANN policy seems to be geared towards resolving trademark disputes before they reach this stage, this process can be used as a sort of “appeal” from unsuccessful claims in the Trademark Clearinghouse process.

One of the newest developments in trademark enforcement under the new gTLD expansion is the PDDRP. Prior to this policy, domain registries were virtually untouchable for their willful blindness or other affirmative conduct that helped cyber squatters.\(^59\) The new PDDRP raises the bar for registries and ensures that they abide by their obligations under the Trademark Clearinghouse service. The PDDRP does not include enforcement mechanisms against registries that occasionally let a few registrants slip through, but does allow for enforcement against bad-faith actors, which includes willfully blind parties.\(^60\) The new Uniform Rapid Suspension System (URS) provides yet another low-cost means through which trademark owners may reclaim domain names that infringe their rights.\(^61\) The process is relatively simple in that it can be described as a fusion of the Trademark Clearinghouse and the UDRP. The URS allows trademark owners to object to a domain name registration and put forth “clear and convincing evidence” to quickly obtain the suspension of the infringing domain name.\(^62\)

B. Possible Post-Approval Trademark Objections

While many of the trademark issues discussed in the Applicant Guidebook are likely to occur after delegation has already taken place, the occasional string may also involve competing trademark claims prior to TLD delegation, such as *.guardian and *.gdn.\(^63\) On one hand, the term Guardian serves as a trademark for a popular news and media outlet based in the United Kingdom.\(^64\) On the other hand, Guardian also serves as a trademark for the U.S.-based insurance company Guardian Life Insurance Company of America.\(^65\) Both companies can stake legitimate claims to the string and both conceivably have a significant need for the TLD, but only one can be successful.

Another string in the contention set that involves countervailing trademark interests is the *.merck string, which has been applied for by both the U.S. and European pharmaceutical companies.\(^66\) Both the U.S.-based and Europe-based pharmaceutical giants share a common heritage dating back more than 100 years, and both have secured significant rights protections in their respective territories.\(^67\) Because Merck & Co. and Merck KGaA have been involved in a previous trademark scuffle involving a Facebook page, it is likely that the company that does not receive the gTLD delegation will resort to other challenge procedures.\(^68\)

A few other notable contention sets involving competing trademark claims are *.goo and *.monster.\(^69\) Google and a Japanese search engine/web portal called “Goo” have both applied for the *.goo string.\(^70\) Similarly, Monster Inc. (the audio/electronics provider) and Monster Worldwide Inc. (the employment resource database) have both filed applications for *.monster.\(^71\) While it is clear delegation of the new gTLDs will no longer be aided by the now defunct “Digital Archery” program, trademark owners are dealing with a great deal of uncertainty as to how ICANN will reconcile competing interests, particularly in cases that

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57. See Schedule of Fees under the UDRP, supra note 56.
58. See id.
59. See Trademark Rights Protection Mechanisms for New gTLDs, supra note 44.
60. See id.
62. Id.
involve overlapping goods. \(^{72}\)

In some cases, courts have already been asked to intervene and to order ICANN to refrain from delegating TLDs to parties that do not hold prior trademark rights. One such case, involving the *.eco string, implicates trademark rights versus what other parties claim to be a generic term. \(^{73}\) Although the *.eco dispute does not involve two competing trademark claims per se, the level of use by the plaintiff and one of the defendants certainly raises some interesting questions as to what ICANN will consider in its delegation procedure. \(^{74}\) In the end, disputes regarding contention sets that are hot topics prior to gTLD delegation could potentially resurface in the future under a different kind of rights protection mechanism.

IV. CONCLUSION

The gTLD expansion program has proven to be anything but monolithic; it has, however, continued to move forward despite a number of errors and the opining of trademark owners and members of Congress. In just a few short months, the list of approved gTLDs will be released and efforts to defend trademark rights will become far more limited in their impact. Accordingly, while certain groups may have a substantial number of concerns, cautious trademark attorneys will be best served by familiarizing themselves with the applications that are currently in the pipeline and to object before it is too late.

\(^{72}\) The Digital Archery program was originally proposed by ICANN as a method of using timestamps to resolve competing claims. After much outcry and issues with operating the Digital Archery program, ICANN scrapped the plan. See Digital Archery Suspended, ICANN (Oct. 29, 2012), http://newgtlds.icann.org/en/announcements-and-media/announcement-23jun12-en.


\(^{74}\) Id.