



# Trademark Clearinghouse part 2: worried web

The Trademark Clearinghouse hopes to allay brand owners' biggest fears when it comes to the new gTLDs. Part two of this article looks at whether it will be enough

**T**he introduction of the new gTLDs brings with it a new set of opportunities and burdens for brand owners.

Since the launch of the original gTLDs, and particularly with the .com names, there have been thousands of disputes about who is entitled to register the word(s) appearing before .com, with trademark owners accusing so-called "cybersquatters" of exploiting their names. After the launch of the new gTLDs, there will likely be similar disputes, except now they will be focused upon which party can own what follows the dot.

After several years of consultation, much of it spent telling brand owners to prepare for the inevitable, ICANN has put in place mechanisms to protect trademark rights in domain names. Much of that is focused on the Trademark Clearinghouse.

However, the Trademark Clearinghouse won't prevent disputes from arising or prevent others registering your trademarks as domain names.

## Worthwhile investment?

The decision whether to register new gTLDs has been the subject of much debate and consternation among brand owners. The gTLDs represent a substantial investment of time and money, with an uncertain return on investment. Then again, the consequences of "missing the boat" could be significant if the popularity of the new gTLDs exceeds expectations. So far, many of the industry articles and guidance published on this subject have outlined some of the issues to consider, but many brand owners are still uncertain about what to do.

Erin Hennessy, a partner in Bracewell & Giuliani's intellectual property group in Washington DC, believes the experience of brand owners following the launch of recent gTLDs should be instructive.

"The .xxx domain launched in 2012 and it took years to consider what that was

going to look like," says Hennessy. "It caused a flurry of activity but it all ended smoothly. Many brand owners used the sunrise period the registrar of the .xxx domain had put into place to proactively register their marks. Much of that has been brought into the Trademark Clearinghouse for the new gTLDs. However, on the flipside, we learnt from the launch of the .info and .biz gTLDs, that it could be a waste of time. Neither of those domain names really got off the ground but brand owners still filed a lot of domain names proactively, and it cost a lot of money for new gTLDs that never really had any commercial use."

## Name game

That uncertainty is a danger for brand owners the Trademark Clearinghouse does nothing to allay. The Clearinghouse gives them time to register their marks first, but it does nothing to block others registering their name if they fail to do so. Nor does it notify brand owners if someone has attempted to register their name as a gTLD – it only does so after the domain has already been granted.

This will almost certainly require brand owners to be vigilant throughout the sunrise period. And that's going to be expensive. It costs \$150 per year per trademark to register with the Trademark Clearinghouse, and a lot of companies have a lot of trademarks to protect. That, even for a small or medium sized business could add exponentially to the cost of protecting your brand online.

Hennessy says that there is no sense in thinking that you can register for everything, considering the almost 2,000 gTLDs that are coming in the first round.

"The first piece of advice I'd give is to be strategic," she says. "I mean right now you should be going through your portfolios and figuring out what your most important brands are, getting your stakeholders together, and contemplating what your biggest priorities are. On the flipside, getting together with your key stakeholders and deciding if there are any

new marketing or advertising opportunities available to you."

"You have to make a decision – do I need to be registering my key brands proactively in each one of these gTLDs? The answer is no. What a brand owner needs is a list of what is out there and second of all is see if someone else is registering your brand in a gTLD or if there are any gTLDs where you'll get market value registering your brand."

## The generic issue

There are, however, far broader issues for brand owners other than what is going on in the Trademark Clearinghouse. Issues, such as what to do about closed generic gTLDs, are just as pertinent. These gTLDs could include terms such as .pharma and .insurance, which could affect whole industries, but are 'closed' applications, which means they're operated by a participant exclusively for its own benefit.

Large corporations have to prepare for how they will react to such scenarios. Can they at all object to such applications or would they lose ground in the online marketing battle for search engine rankings or even worse; would their competitor manage to establish a natural association between their brand and the product or services offered in your industry?

On that issue, ICANN recently closed a 30-day public comment period seeking feedback on whether particular requirements should be imposed on generic gTLD applications. The comment may lead to the adoption of specific guidance on closed generic application but that may not come until gTLDs are finally launched until later in the year.

With these considerations, and the fact that gTLDs will cost hundreds of thousands of dollars to run in the first year, whether to take advantage of the Trademark Clearinghouse and the protections it offers, will just be the start of a much broader and much more radical overhaul of their brand strategy online.