



One Minute Memo[®]

Significant Change to Internet Domain Names: ICANN Broadens gTLD Availability

In a very important and long-awaited development for trademark owners and the Internet, the Internet Corporation for Assigned Names and Numbers (ICANN) has given final approval for new generic Top Level Domains (gTLDs). Currently, there are twenty-two approved gTLDs, such as .com, .net, and .org, as well as over two hundred country-specific TLDs. The approved plan will broaden the range of available gTLDs to include virtually any word in any language.

As a result of the approval, any established public or private organization located anywhere in the world can apply to form and operate a new gTLD Registry. Once a new gTLD is granted, the owner essentially becomes a registrar for that gTLD. Thus, companies such as Google and Coca-Cola will be able to create and register brand-name destinations, such as .google or .coke. Registration of a gTLD also will allow the owner to permit or limit use by other entities as the owner sees fit.

Although the new gTLD program has been touted as ushering in a new era of domain name innovation, the proposal was not without adversaries. For example, the International Trademark Association (INTA) voiced its concern that the new gTLD process would force trademark owners to defensively pre-register their trademarks. To address these and other concerns raised, ICANN included a dispute resolution procedure that can be triggered by a formal objection during the evaluation procedure. The grounds for objection include: (1) the gTLD string is confusingly similar to an existing or applied-for gTLD; (2) the gTLD infringes the legal rights of the objector; (3) the gTLD string is contrary to generally accepted legal norms of morality and public order that are recognized under principles of international law; and (4) a significant portion of the community substantially opposes the gTLD.

Application Process: Background Check and gTLD Evaluation

In addition, there are substantial obstacles to applying for, and being granted, a new gTLD. The initial evaluation of an application for a new gTLD will require a \$185,000 non-refundable application fee, with \$5,000 required when requesting the application slot and the remaining \$180,000 payable with the full application. Moreover, with the exception of entities publicly traded on the 25 largest stock exchanges, applicants – which cannot be individuals, sole-proprietorships or yet-to-be-formed entities – must first pass a background check that involves general business due diligence and criminal and cyber-squatting history checks.

After the background check, ICANN will also evaluate the gTLD for string similarity, Domain Name System (DNS) stability, reserved names, and geographic names. Overall, the application process is expected to take approximately nine months. ICANN will accept applications during the initial application period from January 12, 2012 through April 12, 2012. Subsequent application periods will become available in the future. While there is no limit to the number of new domain suffixes, the cost and complexity of applying for a new gTLD may deter smaller organizations. Further, the thorough background checks are intended to guard against cyber-squatting and to protect the public in the allocation of Internet resources.

Complete information regarding the new gTLD program, including the Applicant Guidebook, is available [here](#). The Trademark Practice Group attorneys at Seyfarth Shaw LLP will continue to follow the new program and are available to provide additional information about the meaning of this development and its impact on trademark owners.

For more information, please contact the Seyfarth attorney with whom you work, or any Intellectual Property attorney on our [website](#).



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