



## Brand Owners Can Protect Trademarks in Trademark Clearinghouse for New gTLD Domain Names

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The new Generic Top-Level Domain (gTLD) expansion undertaken by the Internet Corporation for Assigned Names and Numbers (ICANN) has recently implemented the **Trademark Clearinghouse** (“Clearinghouse”) as a mechanism to protect brand owners’ trademark rights in the expansion. The Clearinghouse will serve as a central registry to authenticate contact information and verify mark ownership rights. It will store this information in a single database that may be accessed by the over 1400 Top Level Domain (gTLD) Registrars who sell domain names. It will not, however, determine substantive rights or the scope or ownership of substantive rights in domain names that include trademarks of others. The first wave of the registrars acting on behalf of registries (operators) of Top Level Domain Names such as .bank, .statefarm and .newyork will launch the sale to the general public of Second Level Domain Names to the left of the dot such as farmers.autoinsurance, ally.bank, and albany.newyork. Originally scheduled to begin on April 23, 2013, ICANN has **postponed** the launch to an undetermined date.

### Protection at the Top Level—Right of the Dot

The first round has closed for trademark owners to apply for and operate an expensive registry named after a Top Level Domain reflecting their marks. A list of applicants for new **Top Level Domains** and the status of pending objections on the ground of legal rights is found here. Applicants for Top Level Domain names in gTLD expansion that drew no timely objection and those that survive the dispute resolution process will become domain name registries operating at the root level of the Internet. Dates for later application rounds are not yet determined, but are likely to begin in one or two years.

### Protection at the Second Level—Left of the Dot

At this point, the concern for trademark owners in new gTLDs is at the second level. The risks are that brand names will be registered by competitors or pirates in the characters that come left of the dot and be used to harm trademark owners. For example, the domain name, “www.apple.tablet” could be purchased by a pirate.

For Second Level Domains, ICANN has established two rights protection mechanisms available through the Clearinghouse: (1) Trademark Sunrise Service; and (2) Trademark Claims Service.

The Trademark Sunrise Service gives the rights holder for trademarks registered in the Clearinghouse the priority right to register Second Level Domains that are an **Identical Match** to their trademarks during a 30-day period before the general public may apply to register Second Level Domains in the new registry. In order to participate in the Trademark Sunrise Service, the trademark holder must register the trademark with the Clearinghouse and provide a declaration that the mark is in use, together with a specimen showing such use.

The Trademark Claims Service provides trademark holders of trademarks registered in the Clearinghouse with notice of filing of applications to register Second Level Domains reflecting an exact match of the trademark. [Click here](#) to view a sample of the notice. This service commences when the general public is allowed to register Second Level Domains in the new registry and lasts for a period of 60 days.

### What Trademarks Can be Registered in the Clearinghouse

Upon payment of a **fee**, a trademark can be registered in the Clearinghouse that is a registered trademark in a national or regional registry, a court validated trademark or a mark protected under statute or treaty in any country. Marks that are the subject of opposition proceedings or cancelled registrations are not eligible for the Clearinghouse. Trademark licensees, as well as owners, may place trademarks in the Clearinghouse.

Brand owners will now be able to register up to 50 variations on their marks in the Clearinghouse, if those variations had previously been the subject of successful litigation or UDRP arbitration due to abuse by third parties. If trademarks contain a design element, the words must be “predominant” and easily separable from



the design. Trademarks containing a dot (“.”) are not eligible. Trademarks with characters not usable in domain names (e.g., “&”) must be registered in a modified form (and if multiple modified forms are registered, each will be a separate registration at full cost). Common law marks and state registrations are not eligible for entry into the Clearinghouse.

The Clearinghouse is a repository of data only. Trademarks from many jurisdictions can coexist in the Clearinghouse. Clearinghouse processes are designed to confirm the validity of data, not to make determinations on the substance or scope of rights held by a particular party.

### **Additional Benefits of Registering in the Clearinghouse**

The Clearinghouse simplifies the process of blocking Second Level Domains for trademark owners who have registered their marks with the Clearinghouse. Once the trademark owner has documented its registered rights in a mark with Clearinghouse, this information is used each time the trademark owner lodges a challenge to an attempt to register a Second Level Domain incorporating the mark. It also will give new gTLD Registrars easy access to information in order to better review and assess claims by trademark owners.

### **What Trademarks Should be Registered in the Clearinghouse**

The Trademark Sunrise Service is likely to be the more meaningful of the services offered through the Clearinghouse. Due to the limited period during which the Trademark Claims Service will apply, we expect domain name squatters to attempt to register infringing domain names in two waves. A first wave of attempts by cybersquatters to register brand names as domains is likely to occur immediately after the new gTLD registry opens to the public and a second wave of attempts by cybersquatters to register brand names as domains is likely to occur shortly following the expiration of the 60-day Trademark Claims Service.

In general, a brand owner or brand licensee should consider submitting its core or principal brands (i.e., those marks it will frequently wish to register with new gTLDs registries for “defensive” purposes) for recordation in the Clearinghouse. In particular, submission of a mark will usually be driven by a desire to participate in Trademark Sunrise Service – whether for defensive purposes or because a registration in a new gTLD is actually determined to be useful.

Trademark owners, however, who do not plan to incur the substantial cost involved in registering their trademarks as Second Level Domains in multiple Top Level Domains during the applicable sunrise periods are unlikely to derive significant benefits from the Clearinghouse. Most major trademark owners target only their most important brands to register as Second Level Domains in the most widely used existing Top Level Domains. Relatively few of the new Top Level Domains are likely to achieve commercial success. We, therefore, expect most brand owners to adopt a “wait and see” approach to determining the level of protection appropriate across the new gTLDs, with only owners of the most famous consumer brands adopting a wide spread registration approach.

### **Who Can Register Trademarks in the Clearinghouse for Brand Owners**

Trademark owners may register directly with the Clearinghouse or through “Trademark Agents” which means third-party service providers such as law firms that will act as middle-men for trademark owners.

The Clearinghouse is not user-friendly. Full details of each trademark registration must be entered manually, including full descriptions of goods and services (probably for each class – Clearinghouse representatives weren’t sure as of last week). There is no interface provided to allow automated input (e.g., from docketing software or spreadsheets). This difficulty seems likely to push brand owners toward using Trademark Agents unless they intend to register only a few marks.

### **Locke Lord’s Services**

Locke Lord’s **Trademark, Copyright & Advertising** attorneys and paralegals have skills and knowledge for registering marks for our clients in the Clearinghouse. We can help you to select the right marks to submit to the Clearinghouse and handle or assist with the submission process to reduce the likelihood of incurring any extra costs for re-submission. We can also assist with the development of a strategy for monitoring and challenging Top Level Domains that cybersquat upon your trademarks.

For more information on the matters discussed in this *Locke Lord QuickStudy*, please contact the authors:

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