



Introduction of new generic top-level domains

APPLICATION AND REGISTRATION PROCESS WILL START ON 12 JANUARY 2012

The Internet Corporation for Assigned Names and Numbers (ICANN) has determined the application procedure for new generic top-level domains (gTLDs). This implements the resolution passed in June 2008 for the introduction of new address zones on the internet. The new gTLDs will offer unprecedented marketing opportunities for trademark owners, but also involve special new challenges. This briefing gives an overview of the framework and risks.

The new gTLDs will allow companies to register almost any term, including descriptive industry key words and company names as top-level domains. Internet addresses will be able to end with almost any word in any language, such as .freshfields, .sap, .ups, .ibm, .bank, .cars, .tools.

Why is the possibility of new gTLDs relevant to my company?

Such new and catchy internet addresses offer the possibility of presenting brands and products in a prominent way on the internet on a global scale. The holder of a new gTLD (companies, corporations and organisations) can monopolise its use because, as a general rule, a company having registered a new gTLD is not required to allow third parties to file second-level domains (SLDs) under the gTLD.

What requirements must be met by my company for registering a gTLD?

In particular, you must prove your long-term ability to operate the domain with technical reliability. This proof – which can also be ensured by third parties – includes the financial resources required to run the domain: the so-called ‘technical and financial capability’.

What will the registration of a new domain cost?

In addition to the considerable infrastructure expenses (estimated to be at least €100,000 a year), a one-off registration fee of \$185,000 and – depending on the

use – at least a further \$25,000 a year will have to be paid to the ICANN.

When and where can my company apply for a new gTLD?

The first round of applications will take place from 12 January to 12 April 2012. The application procedure will be conducted by the ICANN.

How many new gTLDs will be available? What will happen if my company does not register a new gTLD at present?

There will be several registration stages. At each stage, it will only be possible to register a limited number of new gTLDs – probably fewer than 500 domains during the first round. The total number will be unlimited, however. The timing of future application rounds is not presently known, so competitors may, in certain circumstances, take advantage of early registrations.

What are the consequences of a successful registration?

The successful applicant will become the registrar of the new domain and will have to operate the domain actively, in particular creating and assigning SLDs under the relevant gTLD. In this context, the registrar will, inter alia, be obliged to operate the gTLD in a technically reliable way, to define measures for the protection of third parties’ (trademark) rights when setting up SLDs, and to co-operate fully with the ICANN.

Will there be a 'sunrise period' for owners of trademark rights?

An advance reservation of a gTLD based on a trademark right concerning the same name will not be possible. Applications can only be filed within the scope of the general application process.

Will my trademark rights be considered in the registration of new gTLDs?

Trademark rights will not be considered by the registrar; for example, the ICANN will not automatically notify you of potential infringements.

During the evaluation process that starts after the publication of all gTLD applications, rights-holders may object to the registration of a gTLD (legal rights objection). Such an objection will result in the institution of a 'dispute resolution procedure', subject to a fee. This procedure will be conducted by the WIPO Arbitration and Mediation Center (independent of the ICANN) and will be subject to narrow time limits that have not yet been finally specified. In addition, it is intended to establish a so-called 'clearinghouse' where trademark owners can register and follow the registration process.

What will happen if multiple applicants apply for one gTLD?

If identical applications are filed during a registration round, the party to which the gTLD will be assigned will be identified by way of the so-called 'Community Priority Resolution', based on a complex scoring process. In this process, specific applicants will be given priority. If identical applications aren't filed, the domain will be assigned through an auction process. With regard to subsequent application rounds, the principle 'first come, first served' will be applied.

When will the new gTLDs be available for use on the internet?

The evaluation of the new gTLDs by the ICANN during the first round is not likely to be completed before November 2012.

What action can/should my company take with regard to the new gTLDs and SLDs?

If your company is interested in acquiring a gTLD, we recommend you carry out as soon as possible an internal review of whether you meet the technical and financial requirements, and which potential new domains may be of interest to you. Due to the first come, first served principle in further registration rounds, the steps required for a registration, if requested, should be taken as soon as possible. Furthermore, the entire application process should be carefully observed and followed, so you can respond to potential rights infringements, in particular at the SLD level, in a timely, consistent and effective manner.

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