

# Expanding the Domain Name System – The Introduction of New gTLDs

Adrian Fisher examines the introduction of new generic top-level domains, ICANN's proposed application process and recommendations to address anticipated trade mark issues.

The Domain Name System is set for a shake-up in 2010 as the Internet regulator ICANN (the Internet Corporation for Assigned Names and Numbers) prepares to open-up the previously inviolable top-level domain space to the public. Under a policy currently being finalised by ICANN, an application process would commence in the first quarter of 2010 to allow interested parties to apply for new generic top-level domains (or **gTLDs**). There are currently 21 existing gTLDs (including .com, .info, .org, and .biz). Most of these gTLDs are reserved for particular uses. The new gTLD policy will see a potentially large number of new gTLDs, registered for varying purposes, added to this list.

The proposed policy is significant and touches on a range of technical, procedural and legal issues. The first part of this article provides a high-level summary of the steps involved in and obstacles to successfully registering a new gTLD. The second part of this article discusses the recommendations of the Implementation Recommendation Team which would provide significant further protection to trade mark owners on the Internet.

## The proposed gTLD application process

The application submission period for new gTLDs could open as early as the first quarter of 2010. During this period, corporations, organisations and institutions of good standing may apply to register a new gTLD. Applicants may apply for community-based gTLDs (being gTLDs for the benefit of a specific community) or standard gTLDs (being gTLDs for other purposes).

Before ICANN grants an application, the applicant must successfully navigate a number of review stages. A useful map of these stages is available at ICANN's website at <http://www.icann.org/en/topics/new-gtlds/interactive.htm>. ICANN's Draft Applicant Guidebook, Version 3, which is referenced in this article, provides a detailed description of the proposed gTLD application process.

## Initial and Extended Evaluations

Following an initial administrative review, ICANN will conduct what is called the Initial Evaluation. During this evaluation, ICANN will assess the appropriateness of the proposed gTLD string and the capability of the applicant to run a registry. Specifically, ICANN will evaluate:

- The following aspects of the **gTLD string** (ie the letters and/or characters that comprise the gTLD):
  - **DNS Stability:** Will the proposed gTLD adversely affect the security or stability of the Domain Name System?
  - **String Similarity:** Is the proposed gTLD identical or confusingly similar to existing top-level domains, other proposed gTLDs or internationalised country code top-level domains or any prohibited or reserved name (such as "example", "www" and "test")? The proposed test for confusing similarity is whether a proposed gTLD "so nearly resembles another visually that it is likely to deceive or cause confusion... in the mind of the average, reasonable Internet user."<sup>1</sup> Confusion must be probable, not just possible.

- **Geographical Names:** Does the gTLD comprise a geographical name (such as the name of a region, country, city or area)? If so, does the application include evidence of the support or non-objection of the relevant governments or public authorities?
- The following aspects of the **gTLD applicant**:
  - **Technical & Operational and Financial Capability:** Does the applicant have the capability (technically, operationally and financially) to run a gTLD registry?
  - **Registry Services:** Do the services of the proposed gTLD registry raise significant stability or security (including data protection) issues?

An application that has failed the Initial Evaluation (except in respect of the string similarity review) may request an Extended Evaluation, which could involve ICANN referring the application to one or more expert panels. An application that passes the Initial Evaluation and any Extended Evaluation would then proceed to the dispute resolution stage of the application process.

## Resolution of objections to a gTLD application

Certain members of the public may lodge formal objections to a proposed gTLD up until soon after ICANN has completed the Initial Evaluation stage.

Such objections may only be made on one or more of the following grounds:

- That a proposed gTLD "so nearly resembles another that it is likely to deceive or cause confusion"<sup>2</sup> (the **string confusion ground**).
- That a proposed gTLD infringes an objector's existing legal rights, particularly registered or unregistered trade mark rights (the **legal rights ground**).
- That a proposed gTLD is "contrary to general principles of international law for morality and public order"<sup>3</sup> (the **morality and public order ground**).
- For a community-based application, that there is "substantial opposition from a significant portion of the community to which the string may be targeted"<sup>4</sup> (the **community ground**).

ICANN will appoint independent dispute resolution service providers to administer proceedings to determine objections to gTLD applications. These proceedings would be determined by a relevant expert or experts with reference to the tests and standards developed by ICANN.

Under the string confusion ground, the proposed test is similar to the test applied in the Initial Evaluation, except that it is not limited to visual confusion. Objectors could object on the grounds that a gTLD is aurally similar or similar in meaning to an existing or proposed gTLD.

Under the legal rights ground, in determining whether an objector's existing legal rights are infringed, consideration would need to be given to whether:

*the potential use of the applied-for gTLD by the applicant takes unfair advantage of the distinctive character or the reputation of the objector's registered or unregistered trademark or service mark ('mark'), or unjustifiably impairs the distinctive character or the reputation of the objector's mark, or otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the objector's mark.*<sup>5</sup>

The Draft Applicant Guidebook lists a number of factors which experts determining legal rights objections should consider. These factors are consistent with principles that panels administering proceedings under the Uniform Domain Name Dispute Resolution Policy (the **UDRP**) have applied, including whether the gTLD applicant has a legitimate interest in the word(s) comprising the proposed gTLD.

ICANN is concerned to avoid people making frivolous or vexatious objections which would increase the administrative burden placed upon the application process. ICANN will therefore only accept objections made by certain members of the public. For example, only existing gTLD registries or new gTLD applicants may object to a gTLD application under the string confusion ground. Only legal rights holders may object under the legal rights ground. Anyone may object under the morality and public order ground, but ICANN will apply a 'quick look' procedure to eliminate any frivolous or vexatious objections at an early stage. An established institution associated with a clearly delineated and relevant community may object on the community ground.

### ***One of the more significant recommendations of the IRT is the creation of an IP Clearinghouse.***

ICANN has mooted the idea of an Independent Objector whose role would be to file and prosecute objections under the morality and public order and community objection grounds, and to act "solely in the best interests of the public who use the global Internet."<sup>6</sup> The Independent Objector would act to file an objection in circumstances where no objection had otherwise been filed to an application for a gTLD "that would be considered objectionable across many jurisdictions."<sup>7</sup>

#### **String Contention**

During the application process, ICANN will place certain gTLDs into "contention sets". These sets would comprise proposed gTLDs that are either in:

- direct contention with each other (ie they are identical or confusingly similar to each other); and/or
- indirect contention with each other (ie they are in direct contention with a common third gTLD).

If an application makes it through the Initial Evaluation and any Extended Evaluation, and succeeds against any objections, but is in a "contention set", ICANN will resolve that contention set prior to granting the application.

ICANN will resolve a contention set by conducting a "community priority (comparative) evaluation" and/or (if necessary) by auction. The comparative evaluation process applies only to community-based applications, which will be evaluated and given a score depending on a range of factors, including the nexus between the proposed gTLD, the applicant and the community. A successful community-based application will have priority over an identical or confusingly similar standard application.

ICANN expects that most contention sets will be resolved through the comparative evaluation process or by private agreement between applicants. In other cases, contention sets will be resolved by auction. ICANN recognises that it may receive "significant fund-

ing" through this auction mechanism. This may certainly be the case if a number of applicants vie for the same or similar generic standard gTLDs. ICANN has flagged that it intends to use funding received through auctions for projects that support its mission statement and not-for-profit status.<sup>8</sup>

#### **Successful applications**

If an applicant successfully navigates all of these stages (and provided it has signed ICANN's registry agreement and passed final testing), its proposed gTLD will be deployed into the root zone.

### **Recommendations of the Implementation**

#### **Recommendation Team**

In response to public comment and concern, ICANN established the Implementation Recommendation Team (the **IRT**) on 6 March 2009 to "develop and propose solutions to the overarching issue of trademark protection in connection with the introduction of new gTLDs".<sup>9</sup> The IRT published its final report to ICANN on 29 May 2009. The report canvasses a number of significant recommendations including:

- the establishment of an **IP Clearinghouse**, effectively a global database of trade mark rights; and
- the introduction of:
  - a **Uniform Rapid Suspension System**, allowing for the expedited resolution of clear-cut cases of cybersquatting; and
  - a **post-delegation dispute resolution process**, allowing for trade mark owners to bring proceedings in certain cases against gTLD registries for endemic abusive practices by their registrants or the registry itself.

ICANN has included a proposed post-delegation dispute resolution procedure in its draft registry agreement for new gTLDs. It is still considering the implementation of the IP Clearinghouse and the Uniform Rapid Suspension System.

#### **The IP Clearinghouse**

One of the more significant recommendations of the IRT is the creation of an IP Clearinghouse. The IP Clearinghouse's function would be to collect, hold and verify data about the legal rights of trade mark owners to assist new gTLD registries in their registration processes and their rights protection mechanisms. It is envisaged that the data held by the IP Clearinghouse would be submitted by trade mark owners, registries and registrars.

The IRT has recommended that data held by the IP Clearinghouse would include data relating to both registered and unregistered trade mark rights. The inclusion of unregistered trade mark rights introduces a new level of complexity as different jurisdictions have different understandings of what comprises an unregistered trade mark.

The IRT envisages the creation of a special Globally Protected Marks List, comprising trade marks with a significant level of global protection and recognition. The IRT's recommendation is that any proposed gTLD that is identical or confusingly similar to a trade mark on the Globally Protected Marks List will not pass the Initial Evaluation for string confusion. A failed applicant could request a review from an appointed dispute resolution service provider.

The IRT also recommends that new gTLD registries must initially block the registration of any domain name that is identical to a trade mark listed on the Globally Protected Marks List. The potential registrant could then dispute the blocking of its registration by showing that it has a right or legitimate interest to use the domain name.

For IP Clearinghouse trade marks not listed on the Globally Protected Marks List, the IRT recommends that new gTLD registries must implement a "sunrise registration" mechanism to resolve

infringement claims prior to the launch of full registration services. The IRT has recommended a Pre-Launch IP Claims Service that requires a registry to notify a trade mark owner on registration of a domain name identical to its trade mark. The domain name registrant may still register the domain name provided it gives certain warranties as to its rights in that name. Alternatively, the IRT has suggested that new gTLD registries implement a sunrise registration process similar to that used during the launch of the .info gTLD.

### **The Uniform Rapid Suspension System**

Another significant recommendation of the IRT is the introduction of a compulsory expedited dispute resolution process that would complement the fuller processes under the UDRP, or similar procedures implemented by new gTLD registries.

The Uniform Rapid Suspension System (**URS**) would impose streamlined rules and procedures, but could only be used for situations where there is "no genuine contestable issue as to the infringement and abuse that is taking place."<sup>10</sup> The URS is not intended for situations where there is any question about whether a domain name is being used in an infringing or abusive manner.

Although the decision-maker under the URS would decide proceedings on the basis of similar elements as under the UDRP, the proposed standard of proof would be much higher under the URS. A decision-maker would need to satisfy him or herself that the complaint is proven by "clear and convincing evidence that there is no genuine contestable issue."<sup>11</sup> The UDRP, in contrast, requires a decision-maker to make a finding that a complaint is more likely proven than not proven.

## ***Major brands will have the added protection of listing on the Globally Protected Marks List.***

The only remedy available under the URS is the take down of a domain name. The infringing domain name would resolve (for the duration of its registration) to an error webpage specifying that it has been suspended under the URS. The registrant would be unable to transfer or otherwise deal with its domain name registration and, at the end of the registration period, the registration would lapse. This remedy differs significantly from the remedies available under the UDRP (ie the transfer of the registration to the trade mark owner or the cancellation of the registration).

Another interesting aspect of the IRT's recommendations is the appointment of an independent URS ombudsman whose role it would be to review first-instance decisions under the URS. There is no similar position under the UDRP system.

### **Post-delegation dispute resolution**

Currently, trade mark owners do not have recourse against registrars or registries who engage in or condone abusive practices such as the endemic registration of domain names that infringe trade mark rights. ICANN has the ability to take action against registries under contract and to revoke registrars' accreditation in certain cases, but traditionally ICANN has not been quick to exercise these powers.

In response to public comment on the issue, the IRT has recommended (and ICANN proposes to implement) a mechanism whereby trade mark owners may commence an administrative proceeding against a new gTLD registry on the basis that the registry is using its gTLD for improper purposes or in bad faith with the intent to profit from registrations of infringing domain names. If a complaint is successful, ICANN may be compelled to take action against a registry, including by terminating the registry agreement (in extreme, repeat cases) or imposing financial penalties.

## ***ICANN's gTLD proposals represent a potentially dramatic overhaul of the Domain Name System.***

The IRT's recommendations if implemented represent a significant increase in the armoury of trade mark owners, allowing for the better protection of trade mark rights on the Internet. Trade mark owners will be keen to register their rights with the repository maintained by the IP Clearinghouse (provided it is secure). Major brands will have the added protection of listing on the Globally Protected Marks List. The URS will allow for the cheaper, simpler and quicker resolution of online trade mark infringement disputes on top of the more fulsome procedures under the UDRP and similar policies. And, for the first time, trade mark owners will be able to pursue actions against gTLD registries themselves under the post-delegation dispute resolution mechanism.

### **Conclusion**

ICANN's gTLD proposals represent a potentially dramatic overhaul of the Domain Name System. At this stage, it is not clear what the public take-up of new gTLDs will be. It is also not clear what kinds of gTLDs will be registered. ICANN has consulted widely in formulating its new policy and has developed a coherent and comprehensive draft guidebook. Any entity wishing to register a new gTLD will need to become familiar with that guidebook and, once the application process commences, successfully navigate the numerous steps and obstacles that ICANN has set up to ensure that the integrity of the Domain Name System is not compromised by the introduction of new gTLDs.

ICANN is continuing its consultation phase and intends to publish a final version of the Applicant Guidebook in December 2009. ICANN remains committed to launching the new gTLD application process in the first quarter of 2010.

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(Endnotes)

1 The Internet Corporation for Assigned Names and Numbers, "Draft Applicant Guidebook, Version 3", 2 October 2009, <http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-04oct09-en.pdf>, accessed on 7 October 2009 at page 2-5.

2 Ibid, at 3-14.

3 Ibid, at 3-15.

4 Ibid, at 3-16.

5 Ibid, at 3-14.

6 Ibid, at 3-5.

7 The Internet Corporation for Assigned Names and Numbers, "New gTLD Program Explanatory Memorandum: Description of Independent Objector for the New gTLD Dispute Resolution Process", 18 February 2009, <http://www.icann.org/en/topics/new-gtlds/independent-objector-18feb09-en.pdf>, accessed on 7 October 2009 at page 3.

8 ICANN, above n 1, at 4-15.

9 The Internet Corporation for Assigned Names and Numbers, Board Resolution, 6 March 2009, <http://www.icann.org/en/minutes/resolutions-06mar09.htm#07>, accessed on 7 October 2009.

10 Implementation Recommendation Team, "Final Report on Trademark Protection in New gTLDs", 29 May 2009, <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>, accessed on 7 October 2009 at page 25.

11 Ibid, at 34.