



ICANN Makes Hundreds of New gTLDs Available as of 2012

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ICANN OPENS UP *HUNDREDS* OF INTERNET DOMAIN NAME ENDINGS WHICH WILL GREATLY EXPAND WEBSITE POSSIBILITIES FOR BOTH BRAND OWNERS AND POTENTIAL INFRINGERS.

The Board of Internet Corporation for Assigned Names and Numbers (ICANN) has just approved a plan to significantly increase the number of Internet domain name endings, or generic top-level domains (gTLDs), from the current 22 (which includes domains such as .com, .org and .net). Applications for the new gTLDs will be accepted from **January 12, 2012 to April 12, 2012**. The first batch of applications is limited to 500, and subsequent batches to 400, to account for Internet capacity limitations, as well as a maximum limit of 1000 new gTLDs per year.

The decision to proceed with the gTLD program follows many years of discussion, debate and deliberation with the Internet community, business groups and governments. ICANN's *Applicant Guidebook*, which explains how to apply for a new gTLD, went through seven revisions to incorporate more than 1,000 comments from the public, including those addressing the security, stability and resiliency of the Internet.

Under the *Applicant Guidebook*, any established public or private organization anywhere in the world can apply to create and operate a new gTLD Registry, if it can demonstrate the operational, technical and financial capability to run a registry and comply with additional specific requirements. Although there is no sunrise period for trademark owners to submit new gTLD applications, all trademark owners may apply during the general application period. However, there is no requirement for an applicant to hold a trademark in order to apply for a new gTLD.

Candidates may apply for new gTLDs via an online application system called TAS – **TLD Application System**. The evaluation process could take as little as 9 months or up to 20 months to complete. Applicants may apply for more than one gTLD, but

each gTLD string requires its own application, and ICANN has specific technical rules that apply to all such strings. For example, strings composed entirely of numbers and some reserved gTLD names are unavailable for general use and will be rejected. gTLDs comprising a geographic name must meet additional requirements as set forth in the *Applicant Guidebook*.

There is a US\$5,000 deposit fee per application request, which will be credited against an evaluation fee estimated at US\$185,000. Other fees may apply depending on the specific application path or, in certain cases, where specialized process steps are applicable.

Once an application has successfully passed all the evaluation steps, the applicant will be required to sign a New gTLD Agreement with ICANN (a “Registry Agreement”), requiring two additional fees: (a) a fixed fee of US\$6,250 per calendar quarter; and (b) a transaction fee of US\$0.25 per domain name, which does not apply until and unless more than 50,000 domain names are registered in the gTLD.

The applicant is responsible for setting the business model and policy for how it will use the new gTLD, but the policy must comply with the terms of its Registry Agreement. For example, an applicant can register a gTLD solely to promote its own brand and undertake its own marketing plans, and can refuse applications for second level domains from competitors or individuals who appear to be cybersquatters or scammers.

After the application period for the first round of gTLD purchases closes, ICANN will verify all of the applications for completeness and will then release on its website the list of strings, applicant names, and other application data.

After the list of all gTLD applications has been published on ICANN's website, third-parties may file formal objections, based on gTLD string confusion, existing legal rights, community objections, or limited public interest objections, using Dispute Resolution Procedures (DRP). Objections will be managed by specialized Dispute Resolution Service Providers (DRSPs), such as the *International Chamber of Commerce (ICC)*, based in Paris, France, the *Arbitration and Mediation Center of the World Intellectual Property Organization (WIPO)* in Geneva, Switzerland and the *International Centre for Dispute Resolution (ICDR)*, based in New York.

At the time an objection is filed, the objector is required to pay a filing fee in the amount set and published by the relevant DRSP, or the objection may be dismissed. After a hearing has taken place and the panel makes its determination, the DRSP will refund the advance payment of costs to the prevailing party. If a legal rights objection is successful, the respective application will not proceed.

The introduction of the new domain name endings will significantly expand the possibilities for brand owners, but could also create more opportunity for

cybersquatting and other domain name uses that could impede brand owners' rights. It will be important for all brand owners to actively monitor the new applications and to consider whether to apply for their own extensions to effectively maintain and enforce their trademark rights.

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