

## EXPERT ANALYSIS

### The gTLD Trademark Clearinghouse: Is Participation Necessary to Protect *Your* Brand?

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As many of you know, in addition to the gTLDs with which we are familiar, such as .com, .org, and .net, ICANN has recently approved many new gTLDs. These include brand names such as .kelleydrye or .yourbrand, geographic identifiers such as .nyc, and community or industry identifiers such as .beauty or .basketball. The introduction of the new gTLDs presents a number of challenges for brand owners, including increased costs in monitoring and enforcing their rights with respect to third party domain names filed in the nearly 2000 new gTLDs that will soon be open for business.

As sunrise periods for many gTLDs are already underway (see sunrise claim periods for recently delegated gTLDs), now is the time to consider registering your marks with the Trademark Clearinghouse ("TMCH") to further bolster your online enforcement activities. While registering your marks with the TMCH is only one step in helping to protect against infringing uses of your brand in this new internet environment, registration provides some benefits to brand holders.

This advisory is intended to assist brand owners in deciding whether and to what extent they should participate in the TMCH, by providing information regarding the procedures for filing with the TMCH, and the benefits and limitations of the TMCH.

#### I. TMCH FILING REQUIREMENTS

In order to record trademark rights with the TMCH, brand owners must provide:

- Proof of ownership of a trademark (most commonly, nationally or regionally registered trademark registrations).
- Proof of use of the mark in commerce.
- Payment of TMCH registration fee per mark you wish to protect. These fees allow brand owners to participate in sunrise periods and receive claim notices in connection with all gTLDs which delegate thereafter. The TMCH registration fees per trademark registration are:

One year - \$150

Three years - \$435

Five years - \$725

Note: - these prices do not include filing fees charged by vendors such as Corsearch, Mark Monitor, 101domain, etc.

- Must update TMCH when rights in a trademark change (i.e. renewal or abandonment of registrations recorded with the TMCH).

## II. BENEFITS OF TMCH REGISTRATION

- **Participation in gTLD sunrise periods** – All gTLDs are required to provide a window during which only owners of brands registered with the TMCH may purchase domain names reflecting their registered marks. gTLDs utilizing a “Start-Date Sunrise” must provide a minimum of thirty (30) calendar days before offering domains to the general public. gTLDs utilizing an “End-Date Sunrise” must provide a minimum of sixty (60) calendar days prior to general registration.
- **Discounted Defensive Registrations** – Some gTLDs (including those operated by Donuts, Inc.) are offering TMCH registrants the ability to purchase “blocking domain names” that include their trademark, either alone or together with other words or letters.

While these blocking domain names will not point to the trademark owner’s website, they will prevent third-parties from registering the same domain name. For example, the owner of the ACME trademark may register the domain CHEAPACME.SHOES to prevent a third party from doing the same.

- **Standard Registration Fees** – Registrars selling the domain names (GoDaddy, Enom, etc.) are offering brand owners standard fees to register domains during the sunrise period. However, it appears registrars plan to charge higher prices for more desirable domain names after the close of the sunrise period. Therefore, certain domains including a party’s trademark may fetch a higher price in the general registration period. For example, if there were a gTLD string called .computer, Apple, Inc. may be able to register “Apple.computer” for a lower rate during the sunrise period when registrars charge the same rate to register any domain, than afterward, when desirable domain names are sold at a premium price.
- **gTLD Claims Services** – TMCH registrants will receive notice when a third party files an application to register a domain that is *identical* to a mark that is registered in the TMCH. The third party applicant will receive a warning upon seeking to register a domain name that is an exact match to a trademark registered with the TMCH. If the applicant disregards this warning and proceeds to register the domain name, the trademark owner will be notified.

## III. LIMITATIONS OF TMCH REGISTRATION

- **Sunrise and Claims Services are limited only to identical marks** – For example, registration of the mark ACME with the TMCH would not entitle the trademark owner to register the domain name AKME or CHEAPACMEPRODUCTS in the sunrise period. The TMCH would also not send a warning notice to a third party trying to file the domain name AKME, ACMEWIDGETS or CHEAPACMEPRODUCTS.

Similarly, while participation in the TMCH may allow the ACME brand owner to file a defensive domain name registration for MYACME via some gTLD operators, it would not allow for the owner to file a defensive domain registration for MYAKME. Therefore, even if the owner of the ACME trademark records its rights with the TMCH, it will still need to avail itself of other enforcement options, such as ICANN dispute resolution proceedings, to prevent the registration of most domain names which include its mark or variations thereof.

- TMCH registration requires proof of ownership and proof of use of the trademark to qualify for participation in any sunrise period.
- **Others May Claim Rights in the Same or Similar Trademark** – If more than one party demonstrates proof of ownership and use of the same trademark, the gTLD operator’s individual service rules will determine how to resolve disputes regarding dueling sunrise applications for the same domain name in the same gTLD.
  - If the gTLD is using a “Start Date Sunrise” system, domain names are awarded on a first come-first served basis.

*Some gTLDs registrants the ability to purchase “blocking domain names” that include their trademark, either alone or together with other words or letters, which will prevent third-parties from registering the same domain name.*

- If the gTLD is using an "End Date Sunrise" system (as most have so far) the gTLD will resolve any competing sunrise applications via auction at the close of the sunrise period.

#### IV. IS THE TMCH NECESSARY TO PROTECT YOUR BRAND?

Given the expense of registering trademarks with the TMCH, each brand owner should weigh the costs and benefits of filing. The following are some considerations for discussion with your trademark attorney to assist in deciding whether to file with the TMCH.

- **How Big Is Your Budget?** If you have the budget, there is no apparent downside to filing your key trademarks with the TMCH.

#### *What Key Marks Would You Like To Register With The TMCH?*

- Consider how many key marks are in your portfolio and how many goods/services are covered by your registrations. Note: a gTLD owner may set requirements regarding who may register domains. For example, such restrictions may be based upon a geographic location, industry or product associated with the gTLD. Therefore, depending upon the gTLDs of interest to a brand owner, recording trademark registrations covering certain classes of goods, or issued by certain countries, may be advisable.
- Review the trademarks in your portfolio and consider whether it is likely that a third party can demonstrate ownership of rights in the same or similar trademarks in other geographic locations and/or other product and service categories.
- Consider whether your mark is inherently distinctive or famous, such that you will have a high chance of success in a UDRP proceeding, even if a third party first purchases a domain name reflecting your mark during the general registration period.

#### *How May You Protect Your Marks if You Do Not Register With The TMCH?*

- **Sunrise Dispute Resolution Policy ("SDRP")** – Each gTLD operator must have a procedure via which brand owners may challenge domain names registered during the sunrise period. The details of a particular gTLD operator's procedure should be disclosed in its service agreement with ICANN. However, each must allow a brand owner to challenge a third party's sunrise domain name registration on the basis that the information provided to the TMCH regarding ownership and use of a mark was insufficient or false, or that the domain name registered did not match the trademark recorded with the TMCH.
- **Uniform Rapid Suspension System ("URS")** – a new domain dispute proceeding with a lower filing fee than a UDRP, but a higher standard of proof for the Complainant. The remedy in a URS proceeding consists only of suspension of the domain, not transfer of the domain name to the complainant.
- **Uniform Dispute Resolution Procedure ("UDRP")** – trademark owners may still avail themselves of ICANN's now familiar domain dispute resolution proceeding to challenge domains registered with a new gTLD.
- **Watch Notices** – Ensure your watch notice service includes notice of domain names registered with new gTLDs.

#### *Register Domain Names Reflecting Your Trademarks In the General Registration Period*

- Brand owners may attempt to register domain name applications during the general registration period at the same time as the general public if they do not register with the TMCH. However, after the sunrise period, there is no guarantee that a third party will not register the domain name first.
- Many registrars are charging premium fees to the general public in exchange for the right to be the first to register a domain name during the general registration period. Therefore, a third

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party may have paid a premium to be the first in line to purchase a domain name reflecting your trademark.

- Many registrars are also charging increased prices for desirable domain names after the sunrise period closes. Therefore, a brand owner's cost to register a domain name reflecting its own mark may be more costly after the sunrise period closes.

## V. CONCLUSION

In sum, in order to determine whether participation in the TMCH is desirable for one or more of its trademarks, brand owners would be well advised to:

- Evaluate their trademark portfolios, including consideration of the strength and exclusivity of its rights for each trademark across different categories of goods and services and different geographic regions;
- Consider their enforcement budget and the cost and sufficiency of alternative enforcement avenues; and
- Review the list of allowed gTLDs for those of particular interest to the company's fields of interest.

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