

Territoriality Challenges in Protecting Trademark Interests in the System of Generic Top-Level Domains (gTLDs)

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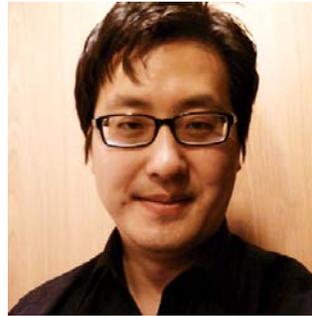
TERRITORIALITY CHALLENGES IN PROTECTING TRADEMARK INTERESTS IN THE SYSTEM OF GENERIC TOP-LEVEL DOMAINS (GTLDS)

JESSE KIM*

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I. INTRODUCTION

Being human-friendly addresses on the Internet, domain names, such as *amazon.com* and *cbc.ca*, operate as globally unique gateways that enable consumers of products, services, and information to reach online contents. Trademarks, on the other hand, are territorial in nature and arise primarily from the need to prevent consumer confusion. The interface between the two systems in an Internet economy is such that domain names act similarly to word-marks in the trademark system, thereby functioning as quasi-trademarks.

In an Internet economy, there is an entrenched association between trademarks and domain names despite the inherent legal and technical incompatibility between the two, a result of which gives rise to exploitative business practices in the midst of an ever-present risk of violation of exclusive rights. As domain names continue to be an integral part of any firm's trademark strategy, there have been increasing efforts on an international level to make the administration of the domain name system (DNS) compatible with the way trademark rights are enforced. This article examines such trends, particularly in light of Internet Corporation for Assigned Names and Numbers' (ICANN's) introduction of generic top-level domains (gTLDs), and their ramifications from an intellectual property law standpoint.

Legal avenues for domain name dispute resolution have long favoured trademark interests in the current domain name system. The provisions and safeguards in ICANN's new gTLD programme, however, introduce new dimensions of complexity in terms of dispute resolution, which transcend the extent of territorially enforced trademarks. Some of the early developments since the closing of the gTLD registration applications show the increasing misalignment between the governance of identifying marks on the Internet and the reach of national trademark laws. The paradoxical nature of endeavours to align the governance of globally unique domain names with that of territorial trademark interests inevitably harms domain names' conformity to the traditional trademark system.

II. THE INCOMPATIBILITY

In terms of valuation of assets, trademarks are "as significant in economic terms as patents and copyright; and their impact across industry is thought to be far wider."¹ In fact, the result of having trademarks is argued to be purely economic, one that "seeks to protect consumers from deceitful and anti-competitive practices."² Moreover, while the protection of trademarks in itself

1. WILLIAM CORNISH, DAVID LLEWELYN, & TANYA APLIN, *INTELLECTUAL PROPERTY: PATENTS, COPYRIGHT, TRADE MARKS AND ALLIED RIGHTS*, 637 (7th ed. 2010).

2. KONSTANTINOS KOMAITIS, *THE CURRENT STATE OF DOMAIN NAME REGULATION*:

may not create an incentive for continuous improvement in quality, trademarks are key to maintaining the quality associated with goods and services offered.³

Internet domain names, on the other hand, are a largely privately administered system, born out of technical needs to facilitate a global addressing scheme for the operation of the Internet.⁴ In order to draw an intuitive comparison, Phillips and Simon classify trademarks and domain names as “distinguishing” signs and “disguising” signs, respectively.⁵ While closely interwound on the surface and in practice, the domain name system differs significantly from trademarks in the following legal and technical aspects:

International legal harmonisation: Unlike trademarks, there is no international convention or treaty to govern domain names upon which ratifying member states are obliged to harmonise administration.

Principle of territoriality: Country-code top-level domains (ccTLDs) such as *.it*, *.nz*, and *.kr* correspond to individual countries and territories. ccTLDs are managed territorially by authorities according to local policies and legal circumstances of the country or territory involved.⁶ Still, the country-code portion cannot be omitted and must always follow the string to the left of the dot when written down or pronounced. For example, the *armani.it* domain name cannot be shortened or communicated as simply ARMANI even within the territory of Italy.

Principle of specificity: One of the key design goals of the domain name system is that it reliably provides the same answers to the same queries from any source.⁷ A corollary of this is that identical domain names are not allowed even if they belong to different classes of goods and services as may be permitted in the trademark system. A domain name is functional only when it is complete with the top-level portion, i.e. the right-hand side of the right-most dot, which determines the outermost name space in the domain name system. As a result, all Internet domain names are unique not only at the national level but also globally.

Single root: The “Internet root servers,” which act as the first tier of the

DOMAIN NAMES AS SECOND-CLASS CITIZENS IN A MARK-DOMINATED WORLD, 28 (2010).

3. Nicola Bottero, Andrea Mangàni, & Marco Ricolfi, *The Extended Protection of “Strong” Trademarks*, 11 MARQ. INTELL. PROP. L. REV. 265, 275 (2007).

4. See WIPO, *The Management of Internet Names and Addresses: Intellectual Property Issues - Final Report of the WIPO Internet Domain Name Process*, WIPO, April 30, 1999, available at <http://www.wipo.int/export/sites/www/amc/en/docs/report-final1.pdf>.

5. JEREMY PHILLIPS & ILANAH SIMON, TRADE MARK USE, 264–65 (2005).

6. *Top-Level Domains (gTLDs)*, ICANN, <http://archive.icann.org/en/tlds/> (last visited Oct. 26, 2013).

7. *ICP-3: A Unique, Authoritative Root for the DNS*, ICANN, <http://www.icann.org/en/about/unique-authoritative-root> (last visited July 9, 2001).

directory of all domain names on the Internet, are property of the government of the United States. ICANN, an agency of the U.S. government, is ultimately responsible for the governance of all top-level domains (TLDs), thereby creating a single system of domain name administration across the entire cyberspace. Trademarks, on the other hand, are territorial and generally have national jurisdictions where each country's trademark office is the ultimate authority over all trademarks registered in that country.

Global execution of changes: Many arbitration proceedings in disputes over the ownership of Internet domain names result in cancellation or transfer. Due to the technical nature of the domain name system, the outcome of a dispute takes effect globally, uniformly, and immediately, thereby creating a de facto international jurisdiction, which is clearly not the case with national trademark laws.

III. THE CONFLICTING INTERESTS

Economically, exclusive rights conferred in trademarks “reduce inefficiencies that result from a mismatch of information between buyers and sellers on certain attributes of goods and services.”⁸ Since the commercialisation of the Internet, rights-holders of existing trademarks have sought to extend their exclusive rights by securing domain names that supposedly represent their trademarks.

The business objective in this context is to correspond to an intuitive association, likely to be made by the average consumer, between the marketed domain name and the registered trademark the domain name purports to represent. For instance, it would not be unreasonable for average customers of Scandinavian Airlines, widely known and trading as SAS, to expect to find the airline's services—or at least meaningful pointers to the services—on the Internet domain *sas.com*.⁹

Similarly, rights-holders of future trademarks, such as owners of start-up businesses or new brands, want to ensure that the Internet domain names that correspond to their new trade remain available for them to register before publicising or marketing their products or services. Many authors and bloggers on the Internet offer advice on how to choose the right domain name for a business,¹⁰ and even domain name-generation services have sprung up to assist

8. CARSTEN FINK, *Enforcing Intellectual Property Rights: An Economic Perspective*, ICTSD Programme on Intellectual Property Rights and Sustainable Development, International Centre for Trade and Sustainable Development, Geneva, Switzerland (2008), available at <http://infojustice.org/download/gcongress/globalarchitectureandthedevelopmentagenda/Fink%20article.pdf>.

9. However, *sas.com* does not belong to Scandinavian Airlines.

10. See Rand Fishkin, *12 Rules for Choosing the Right Domain Name*, MOZ (Feb. 5, 2007), <http://moz.com/blog/how-to-choose-the-right-domain-name>; see also Christopher Heng, *Tips on*

business owners in finding domain names that suit their business ideas.¹¹ A domain name's role of acting as a mark that represents one's trade has become so elemental and widely accepted that it is now arguably common practice for organisations to avoid creating a word-mark whose corresponding domain name, as would be naturally perceived by the average target consumers of the product or service, is:

- a. Impossible or difficult to express in character sets allowed in the domain name system; or
- b. Currently unavailable and deemed impractical to acquire from a third-party registrant, who is often a competitor.

Two relevant facts are at play here: 1) unlike a postal address, an Internet domain name is expressly chosen by its owner; and 2) on the Internet, users "readily interpret a domain name as reflecting the identity of its owner."¹²

The above outlines the nature of trademark interests with respect to the domain name system. A domain name that implements a trademark "conveys all the goodwill and intangible value that are epitomised in the trademark."¹³ It is consistent with a trademark's functions of origin, advertising, and investment as intended by its proprietor.¹⁴ While the owner of a registered trademark is conferred exclusive rights in accordance with Article 16(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),¹⁵ an Internet domain name is a time-bound contract of assignment between a registrant and

Choosing a Good Doman Name, THESITewizARD, <http://www.thesitewizard.com/archive/domainname.shtml> (last visited Oct. 26, 2013).

11. Examples include: <http://www.namestation.com>, <http://domainnamesoup.com>, and <http://wordoid.com>.

12. Adam Waxer, *The Domain Name Fiasco: The Legal Battle Between the Current Domain Registration System and Traditional Trademark Law*, 11-12 (1999), http://www.hofstra.edu/PDF/law_cyberlaw_waxer.PDF.

13. *Id.*

14. Christopher Morcom, *Trade Marks and the Internet: Where Are We Now?*, 34 EUR. INTELL. PROP. REV. 40, 42-52 (2012).

15. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 306, 33 I.L.M. 1197, 1203 (1994) [hereinafter TRIPS], available at <http://treaties.un.org/doc/publication/unts/volume%201869/v1869.pdf>. Article 16(1) states:

The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use. *Id.*

a registry that is in charge of a name space, often involving a registrar in the middle.

There is no explicit notion of property right associated with Internet domain names; to date, no institutionalisation or formalisation on domain names has been made within an explicit legal understanding, although courts have three possible theories: trademark, contracts for services, and property rights.¹⁶ The consequence of this uncertainty in everyday language is as follows: a person who has registered a domain name for any purpose, commercial or otherwise, without the corresponding trademark rights registered at least in their own country, is always exposed and vulnerable to ownership disputes initiated by a third-party entity that does allegedly have trademark rights associated with the domain name in question.

Up until 2012, there existed twenty-three “global” top-level domains that were not tied to country codes.¹⁷ They included *.com*, *.net*, *.org*, *.info*, *.biz*, and *.xxx*, all of which transcended the notion of territoriality as employed by the trademark system. Of these, the *.com* space is by far the most popular TLD among businesses in most countries, as they prefer a single territory-neutral *.com* to local TLDs and any other currently available global TLDs.¹⁸ Such is consistent with the general tendency observed in trademark registrations, whereby businesses prefer simplicity, certainty, and affordability to having to “apply country by country using systems encrusted with individual idiosyncrasies.”¹⁹

Moreover, a particularly low barrier to entry in certain name spaces, such as *.com*, allows anyone to register available domain names with virtually no cost concerns, time-wise or in monetary terms. This has contributed to the current over-saturation in parts of the domain name system and the resultant scarcity of domain names as resources. To holders of trademark rights, the situation equates to an ever-present risk of violation of their exclusive rights on the Internet.

Today, most domain name dispute proceedings are carried out by five dispute resolution service providers,²⁰ including the World Intellectual Property

16. KOMAITIS, *supra* note 2, at 12.

17. These are: *.aero*, *.arpa*, *.asia*, *.biz*, *.cat*, *.com*, *.coop*, *.edu*, *.gov*, *.info*, *.int*, *.jobs*, *.mil*, *.mobi*, *.museum*, *.name*, *.net*, *.org*, *.post*, *.pro*, *.tel*, *.travel*, and *.xxx*. See IANA-maintained list of top-level domains, INTERNET ASSIGNED NUMBERS AUTHORITY [IANA], <https://data.iana.org/TLD/tlds-alpha-by-domain.txt> (last visited Oct. 1, 2013).

18. Verisign, *Benefits and Barriers of Bringing a Small Business Online: Perspectives from Global Small Businesses*, VERISIGN 1, 4 (Sept. 2013), <http://www.verisigninc.com/assets/Research-small-business-september2013.pdf>.

19. CORNISH, LLEWELYN, & APLIN, *supra* note 1, at 16–12, 645.

20. The five ICANN-approved UDRP service providers are: Asian Domain Name Dispute Resolution Centre, National Arbitration Forum (US-based), WIPO, The Czech Arbitration Court

Organization (WIPO), under ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP).²¹ Although the UDRP's overall procedure is described to be an extra-legal approach²² and its legal basis is contractual,²³ countries such as Ireland, Australia, and the United Arab Emirates have also adopted the UDRP²⁴ for the resolution of disputes over domain names within their own ccTLDs. As stated in Paragraph 4(b) of the Policy, the UDRP at its core assesses the existence of bad faith in registering a domain name that is identical or confusingly similar to another's trademark.²⁵

Typically, an entity that believes that its trademark rights have been violated by someone else's domain name registration, which may or may not have been carried out in bad faith, would attempt to claim that domain name first through private negotiation. Failing that, the UDRP is at their disposal as an affordable, timesaving option generally preferred to litigation, which is costlier. On average, the cost of court litigation in a foreign jurisdiction amounts to more than U.S. \$850,000, whereas mediation under the UDRP does

Arbitration Center for Internet Disputes, and Arab Center for Domain Name Dispute Resolution. *See List of Approved Dispute Resolution Service Providers*, ICANN, <http://www.icann.org/en/help/dndr/udrp/providers> (last visited Nov. 23, 2013).

21. *List of Approved Dispute Resolution Service Providers*, ICANN, <http://www.icann.org/en/help/dndr/udrp/providers> (last visited Oct. 26, 2013).

22. Fiona Rotstein, *Is there an International Intellectual Property System? Is there an Agreement between States as to what the Objectives of Intellectual Property should be?*, 33 EUR. INTELL. PROP. REV. 1, 4 (2011), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1762944.

23. SIMON HALBERSTAM & JOANNE BROOK, *TOLLEY'S DOMAIN NAMES: A PRACTICAL GUIDE*, 108 (2002).

24. WIPO, *WIPO UDRP Domain Name Decisions (ccTLD)*, WIPO, <http://www.wipo.int/amc/en/domains/decisionsx/index-cctld.html> (last visited Oct. 26, 2013).

25. *Uniform Domain Name Dispute Resolution Policy [UDRP]*, ICANN, <http://www.icann.org/en/udrp/udrp-policy-24oct99.htm> (last visited Sept. 22, 2013). Paragraph 4(b) states:

Evidence of Registration and Use in Bad Faith. (. . .) The following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith: (i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

not usually exceed U.S. \$100,000.²⁶

Litigation also turns a domain name dispute into a matter of trademark infringement in the eyes of national trademark law and often enters into the realm of international private law,²⁷ thereby raising questions of domicile, jurisdiction, adjudication upon place of validity and infringement and the resultant possibility of forum shopping—as well as an assessment of the territorial factors of “commercial effect,”²⁸ none of which is the UDRP’s concern.

More than ten years of UDRP arbitration proceedings has clearly favoured trademark interests over domain name-only interests. It should be noted that domain name interests often fall under areas outside the economic objectives of trademarks, for instance, traditional knowledge, free speech, and not-for-profit activities. According to WIPO, the prominent UDRP dispute resolution service provider, 90 percent (22,570 out of 25,114) of all UDRP cases it arbitrated up until 2012 saw an outcome that was fully or partially favourable to the claimant.²⁹ Indeed, the UDRP, with its international jurisdiction, has become a popular dispute resolution mechanism that seemingly gives claimants equipped with trademark rights a high chance of success.

There are sharply contrasting views on the UDRP; WIPO, for example, hails the success of the UDRP as a mechanism available to trademark owners for “the efficient resolution of disputes arising out of bad-faith registration and use by third parties of Internet domain names corresponding to those trademark

26. WIPO, *Results of the International Survey on Dispute Resolution in Technology Transactions*, WIPO, 30 (Mar. 2013), <http://www.archive.icann.org/en/udrp/udrp-policy-24oct99.htm> (last visited Oct. 1, 2013).

27. See DAVID KITCHEN ET AL., *KERLY’S LAW OF TRADE MARKS AND TRADE NAMES*, 733–735 (14th ed., 2005). (“Does the use of the trade mark by the US company on its US website constitute infringement of the United Kingdom registered trade mark, and vice-versa? Claimants in this type of situation have argued that use of the trade mark on a website constitutes use of the trade mark throughout the world because the website can be accessed throughout the world. . . . At the other extreme, defendants argue that the trade mark is only being used in the country where the web server is situate. This argument may or may not be right, it depends on the circumstances. . . . Infringement in the United Kingdom requires use of the sign in the course of trade in relation to goods or services in the United Kingdom. So the use on the US or any foreign website constitute use in the course of trade in the United Kingdom before it can amount to infringement of a United Kingdom registered trade mark or, for that matter, passing off in the United Kingdom. . . . One needs to ask whether the defendant has any trade here, customers buying goods or services for consumption here. Of course, infringement does not require the defendant to have an established trade in the United Kingdom, the only requirement is for use in the course of trade.”).

28. TSHIMANGA KONGOLO, *UNSETTLED INTERNATIONAL INTELLECTUAL PROPERTY ISSUES*, 105–107 (2008).

29. See WIPO, *Case Outcome by Year(s) (Breakdown)*, WIPO, <http://www.wipo.int/amc/en/domains/statistics/outcome.jsp> (last visited Sept. 9, 2013).

rights.”³⁰ Others criticise the UDRP as one-sidedly presupposing that established trademark rights should be given priority,³¹ while lacking constitutional relevance in itself.³² It has even been argued that ICANN’s UDRP often produces an outcome that a claimant “would not achieve under the law of passing off or infringement of registered trademark.”³³ At the same time, arbitration under the UDRP also has its limitations from a procedural point of view that may in fact work against claimants:

The desire to maintain a simple and cheap procedure can result in procedural unfairness: the complainant has no automatic right to respond to the contentions made by the respondent, and it is impossible for the complainant to anticipate every manoeuvre which a respondent may make. There is little opportunity to dispute assertions, which are put forward as facts, or statements of intention put forward by registrants. Relatively speaking, it provides a cheaper and quicker solution than litigation, but it has its limitations.³⁴

Nevertheless, the legal argument in the treatment of Internet domain names before trademark rights remains intensely debated with no planned revision or amendment of the UDRP in sight.

IV. THE NEW gTLD SYSTEM AND ITS LEGAL RAMIFICATIONS

After years of discussions and deliberation, ICANN has introduced a system of gTLDs, to launch in 2013.³⁵ In principle, the gTLD programme is an unlimited expansion of global TLDs beyond the existing twenty-three, which could lead to the creation of short, previously unavailable Internet domain names, such as *.music*, *.law*, and *.gucci*. The programme is essentially a full-scale deregulation and globalisation of the domain name system, and comes after a small number of previous additions to global TLDs, such as *.info* and *.biz*, failed to attract the attention of trademark owners and other types of registrants away from the congested *.com* space.³⁶

The purpose of the new gTLD programme according to ICANN is to

30. WIPO, *WIPO Marks 10th Anniversary of UDRP*, WIPO Doc. WIPO/PR/2009/613 (Oct. 12, 2009), available at http://www.wipo.int/pressroom/en/articles/2009/article_0045.html (last visited Oct. 1, 2013).

31. KOMAITIS, *supra* note 2, at 165.

32. *Id.* at 160.

33. KITCHIN ET AL., *supra* note 27, at 730.

34. *Id.* at 731.

35. *New gTLDs – About the Program*, ICANN, <http://newgtlds.icann.org/en/about/program> (last visited Oct. 26, 2013).

36. KOMAITIS, *supra* note 2, at 186.

“create more choice for Internet users, empower innovation, stimulate economic activity, and generate new business opportunities around the world.”³⁷ Loosely speaking, such objectives translate to a new wave of domain name registrations by entities that wish to exploit business opportunities by becoming a domain name registry themselves in charge of a top-level name space, and also by those committed to and capable of protecting their trademarks and the associated goodwill to the maximum.

Although the central idea behind gTLDs is to remove restrictions in the domain name system, there are important considerations for existing and future trademark holders to take into account. One notable limitation is the applicability of Article 6*ter* of the Paris Convention, where prohibitions concerning state emblems, official hallmarks, and emblems for intergovernmental organisations are stipulated.³⁸ This means that governments and intergovernmental organisations may invoke the provision within the gTLD programme for objection against third-party applications that implement the names and acronyms prohibited for trademark use by the Paris Convention.³⁹

Furthermore, gTLDs are not at all compartmentalised by national borders or country codes. As such, different entities should establish different gTLD strategies by examining the descriptiveness and other characteristics of their own trademarks, as well as other registrations of identical marks, not only in their own country, but also within and outside their language zone, within and outside their community (such as the European Union), and ultimately globally. For example, the legal complexity and cost involved in having *.apple* approved may be considerably higher than those of *.microsoft*, where the MICROSOFT trademark arguably has a stronger case of non-descriptiveness in most jurisdictions and languages globally. In the realm of gTLDs, neither borders nor classes of goods and services exist; there can only be one registry of *.apple* and *.microsoft*, respectively.

Because gTLDs are a brand new system, an elaborate scheme of provisions and safeguards have been thought out and put in place by ICANN to minimise side effects and unintended consequences right from the beginning.⁴⁰ gTLDs from an intellectual property rights perspective can be characterised by the

37. *gTLD Applicant Guidebook: Proposed Final Version*, ICANN, <http://archive.icann.org/en/topics/news-gtlds/dag=en.htm> (last visited Oct. 1, 2013).

38. See Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 828 U.N.T.S. 305, available at http://www.wipo.int/export/sites/www/treaties/en/ip/paris/pdf/trtdocs_wo020.pdf [hereinafter Paris Convention].

39. It implies that, for instance, only the Government of Canada and the World Intellectual Property Organization will be able to own the gTLDs *.canada* and *.wipo*, respectively.

40. *gTLD Applicant Guidebook*, *supra* note 37, at 1-1 through 1-2.

following:

High barrier to entry: Trademark owners have generally frowned upon the idea of opening up the domain name space as it could heighten the risk of consumer confusion and threaten their ability to conduct business on the Internet.⁴¹ In order to address such concerns, and in line with the need to go beyond traditional trademark enforcement monitoring in virtual worlds,⁴² gTLDs impose a barrier to entry that is inconceivably high for potential cybersquatters, free-riders, and competitors acting in bad faith, particularly when compared to the current mode of registration in the popular *.com* space.⁴³ The barrier to entry into gTLDs consists of multiple layers of pre- and post-delegation provisions⁴⁴ such as applicant review procedures over many months that include background screening and evaluation of financial capacity; the new Unified Rapid Suspension (URS) mechanism⁴⁵ to follow the assessment of a complaint; third-party objection upon legal rights (trademark rights)⁴⁶ among other grounds; and the sheer amount of application and renewal fees that are many thousand times higher than what a second-level domain name under the *.com* space typically costs.⁴⁷ To trademark owners, all of these provisions amount to a strong deterrent to disruptive conduct, which systematically and pre-emptively minimises room for future challenges against their rights. By implication, the existing UDRP can be argued to be largely redundant as far as new top-level domain names are concerned because room for acting in bad faith is systematically minimised. The UDRP, however, may still function for disputes over registrations of second-level domain names within a gTLD space depending on the regulations set forth by its registry.

Windows of registration and objection: Unlike other domain name spaces where registrants may apply for new domain names at any time, the

41. KOMAITIS, *supra* note 2, at 186.

42. James Gatto & Jenna Leavitt, *The new frontier for trademarks - a virtual challenge*, 25 WORLD TRADEMARK REV., 0, 100 (June/July 2010).

43. *gTLD Applicant Guidebook*, *supra* note 37, at 1-16.

44. *See id.* at 1-1 and 5-1.

45. *See Uniform Rapid Suspension (URS)*, ICANN, (Mar. 1, 2013), <http://newgtlds.icann.org/en/applicants/urs/procedure-01mar13-en.pdf>.

46. For gTLDs, WIPO is the sole provider of dispute resolution services under the category of objection on grounds of legal rights (trademark rights). *See* WIPO, *Legal Rights Objections under ICANN's New gTLD Program*, WIPO <http://www.wipo.int/amc/en/domains/lro/> (last visited Nov. 8, 2013).

47. *See* Martin Zwillig, *Get A Domain Name Without Bankrupting Your Startup*, FORBES, (Jan. 14, 2013, 6:52 PM), <http://www.forbes.com/sites/martinzwilling/2013/01/14/get-a-domain-name-without-bankrupting-your-startup/> (Explaining that it costs U.S. \$185,000 to lodge a single gTLD application, not taking renewal fees or other associated costs into account. Many *.com* domain names, on the other hand, cost U.S. \$10 or less per year to register and maintain).

gTLD programme closed registration applications on March 29, 2012.⁴⁸ Information on the applied-for gTLDs was kept secret until ICANN made it public on June 13, 2012, dubbed “the Reveal Day.”⁴⁹ The public then had until March 13, 2013 to lodge objections to the gTLD applications ICANN had received.⁵⁰ Many organisations saw the window of registration as a one-off opportunity to establish and execute their gTLD strategy, but had to engage in speculation since they had no visibility over their competitors’ intent. The high cost of application⁵¹ meant that some potential applicants chose to forgo gTLDs representing their trade and/or marks at the risk of other entities applying for them, as opposed to engaging in defensive registrations as would have been viable in traditional domain name spaces. To ICANN, on the other hand, such a closed, time-based scheme has resulted in a system that gives finite sets of registrations, objections, and issues to deal with.

Protection of strong trademark interests: It was envisaged that multiple eligible applicants would want the same gTLD that is made of a generic term, a trademark independently owned by more than one entity, or both.⁵² In such cases, gTLD applicants will enter into an auction⁵³ where the highest bid, most likely from the applicant able to exhibit the strongest commitment to its trademark interests, would secure the gTLD in question. This not only contrasts with the “first-come-first-served” principle adopted by many name spaces in the current domain name system, but also transcends national borders thereby going against the elemental principle of territoriality stipulated in national trademark laws.

ICANN Trademark Clearinghouse: In March 2013, ICANN officially launched a global repository of trademarks and other information pertaining to the rights of trademark holders throughout the world, dubbed Trademark Clearinghouse.⁵⁴ Through the facilitation of a “sunrise” period and alerts in advance, Trademark Clearinghouse provides trademark owners with centralised, pre-emptive measures to protect and claim their rights across all

48. *gTLD Applicant Guidebook*, *supra* note 37, at 1-1.

49. *New gTLD Reveal Day – Applied-for Strings*, ICANN, <http://www.icann.org/en/news/announcements/announcement-13jun12-en.htm> (last visited Oct. 1, 2013).

50. *Objection and Dispute Resolution*, ICANN, <http://newgtlds.icann.org/en/program-status/odr> (last visited Oct. 26, 2013) (located under title heading “Important Dates”).

51. *New gTLDs Frequently Asked Questions*, ICANN, <http://newgtlds.icann.org/en/applicants/customer-service/faqs/faqs-en> (last visited Oct. 26, 2013) (located under title heading “Fees & Timeline”).

52. *See gTLD Applicant Guidebook*, *supra* note 37, at 4-1.

53. *Id.*

54. *See FAQs: Trademark Clearinghouse*, ICANN, <http://newgtlds.icann.org/en/about/trademark-clearinghouse/faqs> (last visited October 1, 2013).

new gTLD spaces.⁵⁵ The legal ramifications of establishing a global Trademark Clearinghouse for the Internet constitute a profound challenge to the traditional system of trademark registrations; although Trademark Clearinghouse is a paid service where participation remains strictly optional, ICANN is nevertheless set to be in charge of a massive authoritative database with which it can use to make regulatory determinations.⁵⁶ Critics voice their concerns over the amount of discretionary power to be given to ICANN, a result of which may see its Trademark Clearinghouse ultimately substituting national trademark offices.⁵⁷

V. EARLY DEVELOPMENTS SINCE THE CLOSING OF GTLD APPLICATIONS

In March 2013, ICANN released statistics from the first round of gTLD application submissions. The agency has begun to assess a total of 1,930 gTLD applications.⁵⁸ Applicants range from the biggest names on the Internet such as Google, Microsoft, and Amazon, to smaller enterprises and consortiums. Google in particular has applied for a total of 101 gTLDs, an endeavour that cost the company US \$18.7 million in application fees alone. Google's gTLD applications include those associated with its own trademarks such as *.google*, *.youtube*, *.gmail*, and *.android*, as well as generic strings including *.cloud*, *.search*, *.tech*, *.wow*, *.you*, *.book*, *.mba*, and *.lol*. While many of these gTLDs are intended exclusively for Google's own use, the company plans to make a portion of its gTLDs open for the general public and, in some cases, qualified entities.⁵⁹ This means that once approved by ICANN, Google will invite other organisations and individuals to register, most likely for a fee, second-level domain names under each of its "open" gTLD spaces. It will consequently open up the possibility of the birth of new Internet domain names such as *penguin.book* and *duke.mba*.

Of the 1,930 gTLD applications, 731 conflict with at least one other applicant's requests, and the number of gTLDs that are sought by more than one applicant is 230.⁶⁰ For example, *.app*, *.inc*, and *.online* are contested by

55. See Clearinghouse, *Trademark Clearinghouse Guidelines*, CLEARINGHOUSE, 5 (Mar. 2013), http://www.trademarkclearinghouse.com/sites/default/files/files/downloads/TMCH%20guidelines%20v1.1_0.pdf.

56. KOMAITIS, *supra* note 2, at 190.

57. *Id.*

58. See *New gTLD Current Application Status*, ICANN, <https://gtdresult.icann.org/application-result/applicationstatus> (last visited Sept. 7, 2013).

59. Paul Sloan, *What's .Google want with 101 new .domains, anyway? Google's plan for the new top-level domains it gets is unlike most other big tech firms: it wants to offer them up to the public*, CNET, (June 22, 2012, 1:34 PM), http://news.cnet.com/8301-1023_3-57459036-93/whats-google-want-with-101-new-.domains-anyway.

60. Sean Gallagher, *blog .lol .foo: Google, Amazon top list of global TLD applications*, ARS TECHNICA, (June 14, 2012, 9:33 AM), <http://arstechnica.com/business/2012/06/blog-lol-foo-google>.

thirteen, eleven, and six different applicants, respectively.⁶¹ It is expected that, upon initial evaluation, ICANN will determine the owner of each contested gTLD through an auction. It is possible that parties that are able to negotiate an alignment of interests will form alliances for greater bargaining power in the selection process as seen in the case of *.online*, where three competing domain name businesses have announced their plan to team up for a bid to form a jointly run *.online* registry.⁶²

Some of the applications for gTLDs have been challenged on the grounds of legal rights objection in accordance with the provisions of the gTLD application process. As of March 2013, WIPO, the sole arbitrator for legal rights objections made against gTLD applications, received sixty-nine objections affecting more than thirty unique gTLDs, including *.mail*, *.blue*, *.merck*, *.yellowpages*, *.gcc*, *.academy*, *.limited*, *.weibo*, *.delmonte*, *.direct*, and *.food*.⁶³ The objecting parties range from businesses with direct trademark interests such as Del Monte Corporation, to intergovernmental organisations such as The Gulf Corporation Council, to government agencies such as the United States Postal Service, to entities otherwise seeking to protect the purported associations between the top-level domain names in question and their own products and services.⁶⁴

The abovementioned objections on the grounds of legal rights are a subset of the 204 objections of all categories submitted to ICANN.⁶⁵ Objections that have been made on the grounds of public policy are tabled at the ICANN Governmental Advisory Committee (GAC), which gathers input from governments around the world and makes rulings in the form of advice to the ICANN Board.⁶⁶ One such GAC ruling was made against Amazon EU S.à r.l. over its applications for a *.amazon* gTLD and the equivalent internationalised domain names (IDNs) in Japanese and Chinese.⁶⁷ The GAC reached a consensus to block Amazon's *.amazon* and related applications after Brazil and other South American countries claimed the rights over geographic indications associated with the Amazon River.⁶⁸ As a result, Amazon, a business that

amazon-dominate-global-tld-applications.

61. *New gTLD Current Application Status*, *supra* note 58.

62. *Domain Industry Veterans Team Up To Run .online*, TUCOWS.INC. (Mar. 27, 2013, 10:24 AM), <http://tucowsinc.com/news/2013/03/domain-industry-veterans-team-up-to-run-online>.

63. WIPO, *Legal Rights Objections filed with the WIPO Arbitration and Mediation Center*, WIPO (Oct. 29-30, 2013), <http://www.wipo.int/amc/en/domains/lro/cases> (last visited Oct. 1, 2013).

64. *Id.*

65. *New gTLD Current Application Status*, *supra* note 58.

66. *Governmental Advisory Committee*, ICANN, <https://gacweb.icann.org/display/gacweb/Governmental+Advisory+Committee> (last visited Sept. 7, 2013).

67. *Id.*

68. Kevin Murphy, *GAC to kill off .amazon*, DOMAIN INCITE, (July 16, 2013, 1:13 PM),

currently trades under *amazon.com* and country-specific domain names such as *amazon.co.uk*, will not be able to use the ultimately short *.amazon* moniker. In its July 2013 meeting in Durban, the GAC also allowed the *.date* and *.persiangulf* gTLD applications to proceed, decided to defer decisions over *.vin* and *.wine* to a later meeting “due to the complexity in the matter,” reaffirmed that marks and abbreviations representing intergovernmental organisations (IGOs) should be protected from third-party registrations, and “noted the concerns expressed by the Government of India” not to proceed with the gTLD applications for *.indians* and *.ram*.⁶⁹

Amazon the global online retailer scored a victory, however, on another gTLD front involving less public policy. In July 2013, WIPO overruled the objection to Amazon’s application for a *.pin* gTLD, lodged by Pinterest, Inc., a social networking service provider widely known for the concept of “pinning” items of interest to users’ Web pages. In its legal rights objection panel determination, WIPO ruled that, among Internet users, retailers, and media commentators, the word PIN does not sufficiently give rise to secondary meaning to identify Pinterest, which has been in operation since 2010, as the source of its goods and services. Also taken into account was the fact that, of the sixty-three pending PIN trademark registration applications by Pinterest, only two were filed, in the European Union and Russia, before Amazon applied for the *.pin* gTLD.⁷⁰ In other words, sixty-one of the sixty-three PIN trademark registration applications were filed after Amazon’s intention to secure *.pin* became public knowledge on the gTLD Reveal Day. Because Pinterest had not applied for a *.pin* gTLD itself and was supposedly unaware that Amazon was going to, the only action the company could take within the provisions of the gTLD programme was to invoke a legal rights objection to Amazon’s application after the event. The *.pin* dispute highlights the speculative nature of the gTLD application process and also a heightened risk of having limited reactive measures against a third-party monopolisation on the most global, succinct manifestation of a company’s trademark on the Internet.

Another notable development in the expansion of domain names is the yet-to-be-resolved dispute over *.kosher*, a gTLD application filed by Kosher Marketing Assets LLC and its parent company OK Kosher to “promote awareness of the TLD through press releases and direct communications with

<http://domainincite.com/13759-gac-to-kill-off-amazon>.

69. GAC *Communiqué – Durban, South Africa*, ICANN (July 17, 2013), <http://newgtlds.icann.org/en/announcements-and-media/announcement-01aug13-en> (follow to the linked PDF).

70. Panel Report, *Panel Determination Legal Rights Objection: Pinterest, Inc. v. Amazon EU S.à.r.l.*, Case No. LRO2013-0050, (July 16, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0050.pdf>.

the customers of OK Kosher Certification.”⁷¹ OK Kosher’s sole application for *.kosher* is now challenged by five rival certifying organisations, including OU Kosher, Chicago Rabbinical Council, and the Kashruth Council of Canada, who claim that “[OK Kosher] seeks to profit from a sacred tradition that should not be over-commercialised,” in a market that is thought to amount to US \$17 billion a year.⁷² Meanwhile, ICANN statistics confirm that the gTLD application for *.halal* is also in dispute.⁷³ The crux of the matter in these disputes, however, is neither religious practices nor dietary preferences; it is that, when one operator secures a global monopoly, as allowed in the gTLD system, over a mark seemingly common to the trade, it is inevitably seen as a threat and stolen opportunity by others in the market. As pointed out above, gTLDs are an extra-legal system featuring a high entry barrier, one that remains strictly optional to everyone. However, as soon as one operator decides that the benefits of a gTLD generically representing its trade outweighs the cost of securing it, takes the trouble of applying for one, and manages to act within the registration window, any perceived equilibrium in the playing field is broken and an unprecedented competitive advantage is seemingly created. Moreover, in a non-compartmentalised world of gTLDs, reactive measures may prove to be just as costly, if not more, as applying for a gTLD in the first instance, regardless of the extent of one’s entrenched trademark rights in individual territories.

Any gTLD developments from this point on are the results of, and reactions to, the 1,930 applications already submitted to ICANN;⁷⁴ there is currently no room for additional applications, offensive or defensive. Although ICANN hinted that there may eventually be a second round of gTLD applications,⁷⁵ the legal, political, and administrative overheads required for resolving the current conflicting interests appear to have closed the door for new entrants at least for the foreseeable future. Nevertheless, the effect of approved gTLDs, the number of which is expected to be many tens of times that of the current non-country-

71. Cyrus Farivar, *Pending .kosher domain disputed by rival certification authorities*, ARS TECHNICA (July 19, 2013, 4:34 PM), <http://arstechnica.com/tech-policy/2013/07/pending-kosher-domain-disputed-by-rival-certification-authorities/>.

72. Ellen Rosen & Hugo Miller, *It’s Rabbi Versus Rabbi in \$17 Billion Dot-Kosher Battle*, BLOOMBERG (July 18, 2013), <http://www.bloomberg.com/news/2013-07-18/it-s-rabbi-versus-rabbi-in-17-billion-dot-kosher-battle.html>.

73. *New gTLD Current Application Status*, *supra* note 58.

74. *Program Statistics*, ICANN, <http://newgtlds.icann.org/en/program-status/statistics> (last visited Oct. 18, 2013).

75. *ICANN Reaffirms Commitment to Second Round in New gTLD Program, Seeks Public Comment on Trademark Protections, and Moves Forward on Applicant Support Program*, ICANN, <http://www.icann.org/en/news/announcements/announcement-09feb12-en.htm> (last visited Oct. 1, 2013).

specific TLDs, is set to question and complicate the territorial recognition and enforcement of today's trademarks even more visibly than traditional domain names have.

VI. CONCLUSION

In principle, the system of new gTLDs offers provisions and safeguards designed to empower the rights-holders who are capable of and committed to maximising the exposure and goodwill of their marks. The extent of such measures is significantly greater than that of the UDRP provisions applicable to the current domain name system, which already favours trademark interests over domain name-only interests when the two are in conflict. Yet, legal avenues for dispute resolution over Internet domain names remain largely outside the control of national trademark laws, and such a reality is even more articulated under the system of gTLDs. As illustrated above, the actual treatment of generic strings and conflicting trademarks in a highly competitive global jurisdiction is inevitably fraught with rules, exceptions, and bodies of extra-legal authority beyond the reach of national trademark laws, international harmonisation, and even the traditional domain name system.

Fundamentally, the core of the trademark vs. domain name debate, now even more acutely accentuated by the introduction of new gTLDs, lies in the territorial nature of intellectual property rights. Internet domain names inherently and incessantly demonstrate their nonconformity to trademark rights that are recognised and enforced upon the principles of territoriality and specificity in individual jurisdictions. What is increasingly observed is an inevitable breakdown between trademark rights as protected under different national laws, and the global exploitation of those rights on the Internet.⁷⁶ The global market that is the Internet has irreversibly perturbed the traditional trademark system, and raises the unavoidable question of whether a country's trademark law is actually applicable when a trademark is used on the Internet.⁷⁷ It is rather paradoxical that, as observed today, the continuing extra-legal endeavours on a global scale to enforce territorially exclusive rights onto an arena of a globally unique addressing scheme should come back to threaten the legal basis of the very rights these endeavours intend to uphold.

76. Rotstein, *supra* note 22, at 3.

77. KONGOLO, *supra* note 28, at 104–105.