

CYBERLAW UPDATE: ICANN Trends & Unlimited gTLDs

PRACTICAL ADVICE FOR THE REAL WORLD

COX | SMITH

ATTORNEYS



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Texas Advanced Paralegal Seminar

Fort Worth, Texas • October 7, 2011 • 11:00 am - noon

ICANN



- Internet Corporation for Assigned Names and Numbers
- Top Level Domains (TLDs)
- Authority to assign and regulate 21 Generic TLDs (gTLDs):

.aero	.arpa	.asia	.biz	.cat	.com	.coop
.edu	.gov	.info	.int	.jobs	.mil	.mobi
.museum	.name	.net	.org	.pro	.tel	.travel

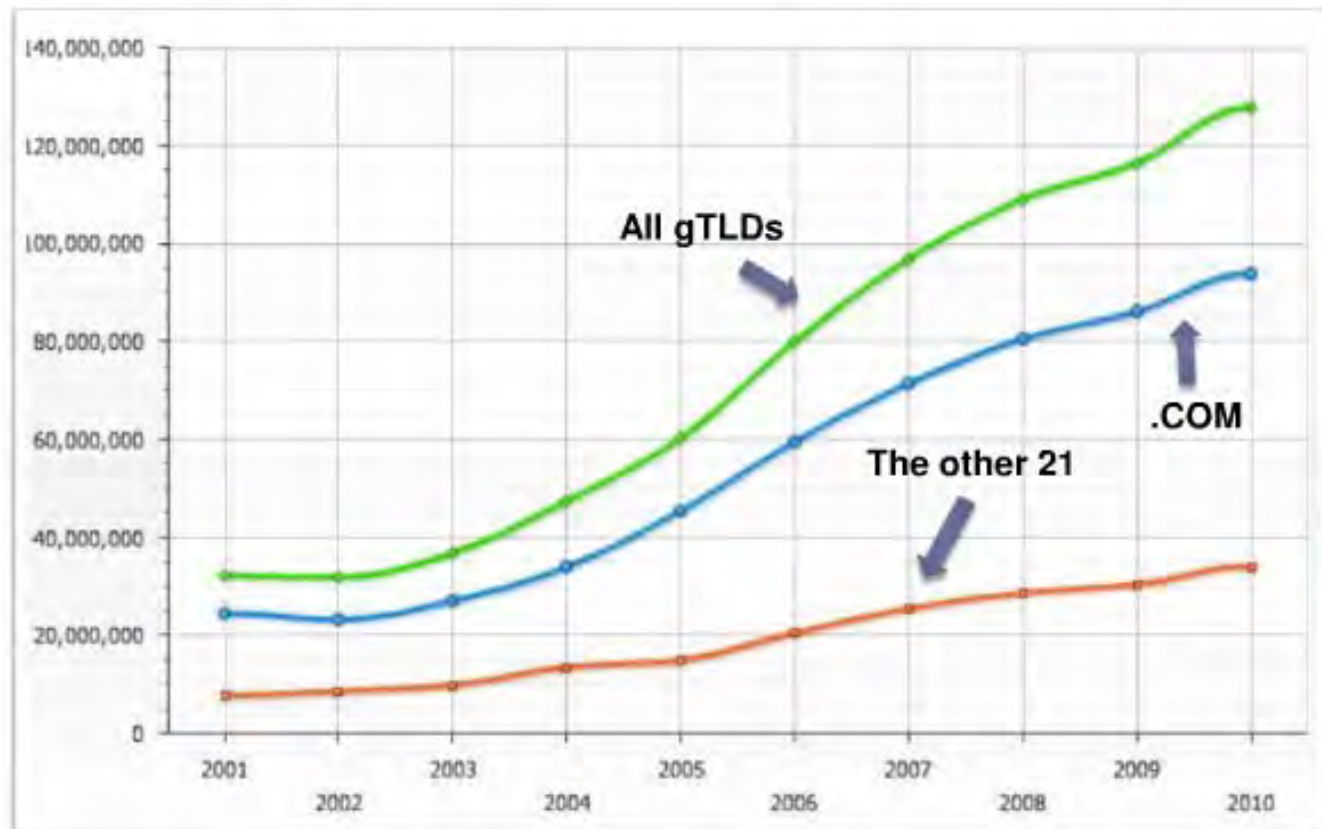
Explosion in TLDs and IDNs

- Internet “root zone” capable of supporting 60 million new TLDs
- International Domain Names (IDNs) use non-ASCII characters
 - Cyrillic, Chinese, Japanese, Korean, Arabic, Hebrew, etc.
- Make use of the Sunrise Periods and focus on the most important domains



.COM Dominance

gTLD Registrations Since 2001



Source: ICANN

“Unlimited” gTLDs in 2012

- Three Major Categories:
 - BRAND TLDs: .COKE, .GOOGLE, .APPLE, .FACEBOOK
 - GENERIC TLDs: .WEB, .SEARCH, .BLOG, .CLOUD
 - COMMUNITY TLDs: .DALLAS, .TEXAS, .ECO



Timeline

New gTLD Timeline

June 20 2011
Final approval of the
ICANN guidebook
at ICANN Singapore

June 2011 - March 2012
Communication Period and
Application Window Period

March 2012
gTLD applications
publicly announced

October 2012
Public registration
of gTLD



2011

2012

Timeline & Costs

- 1/12/2012 – 4/12/2012, Applications accepted
- November 2012, Approval with birth in “root zone”
- Application evaluation period estimated at 9-20 months
- First round limited to 500 applicants; 400 per each additional round
- Application fee = \$185,000; Maintenance = \$25,000/yr
 - Partially refundable upon rejection
 - Increases substantially if the gTLD is disputed

Potential for Disputes

- Generic and Community TLDs: first come, first serve
- Brand protected by an exclusive TM: TM owner has priority
- Two competing TM owners: dispute resolution process
- Likelihood of confusion: dispute resolution process
 - .PEPSI
 - P.EPSI
 - PE.PSI



Two Operating Models

- Owner as Registrar (.SODA)
 - Many owners will choose to partner with existing registrars
- Owner as exclusive Registrant (.COKE)



Censorship Considerations

- Consolidation under one gTLD makes censorship easier and more effective
 - “flip a switch” to turn out the lights
 - Disfavor from autocratic regimes can kill your Internet presence



.XXX Controversy

- ICANN approved separate registry for .XXX TLD in March 2011
 - Approval opposed by family groups and pornographers
 - gTLD launches in 2012; currently more than 300,000 pre-registrations



LET'S BE ADULT ABOUT IT

ICANN Arbitration Action

- Uniform Domain Name Dispute Resolution Policy (UDRP)
 - File Complaint and pay arbitration fee (approximately \$1,300.00)
 - Domain name owner has 20 days to answer
 - No appeal
 - No monetary damages

- Complaint must allege:
 - Use of protected mark or confusingly similar mark in domain and in website content; and
 - Evidence of bad faith

Bad Faith Indicators

- The domain name is for sale
- Attempt to divert consumers
- Not associated with the bona fide offering of legitimate goods or services
- Providing misleading contact information
- Registration of multiple domain names



ACPA

- Anti Cybersquatting Consumer Protection Act
 - Statutory Response, 15 U.S.C. § 1125 (d)(1)(A), Amendment to Section 43 of the Trademark Act
 - Must have bad faith intent to profit from that domain name
 - No appeal available in ICANN arbitration, but you can file suit under ACPA at any time
- See **Appendix** for detailed ACPA provisions



ACPA v. ICANN Arbitration Action

- File suit under 15 U.S.C. §1125(d)
- Necessary for monetary damages
- Greater expense
- Slower disposition



ICANN Service Providers

- Complainant may choose arbitration service provider
- Approved providers: www.icann.org/udrp/approved-providers.htm
- Almost all ICANN arbitration occurs through:
 - World Intellectual Property Organization (WIPO)
 - National Arbitration Forum (NAF)

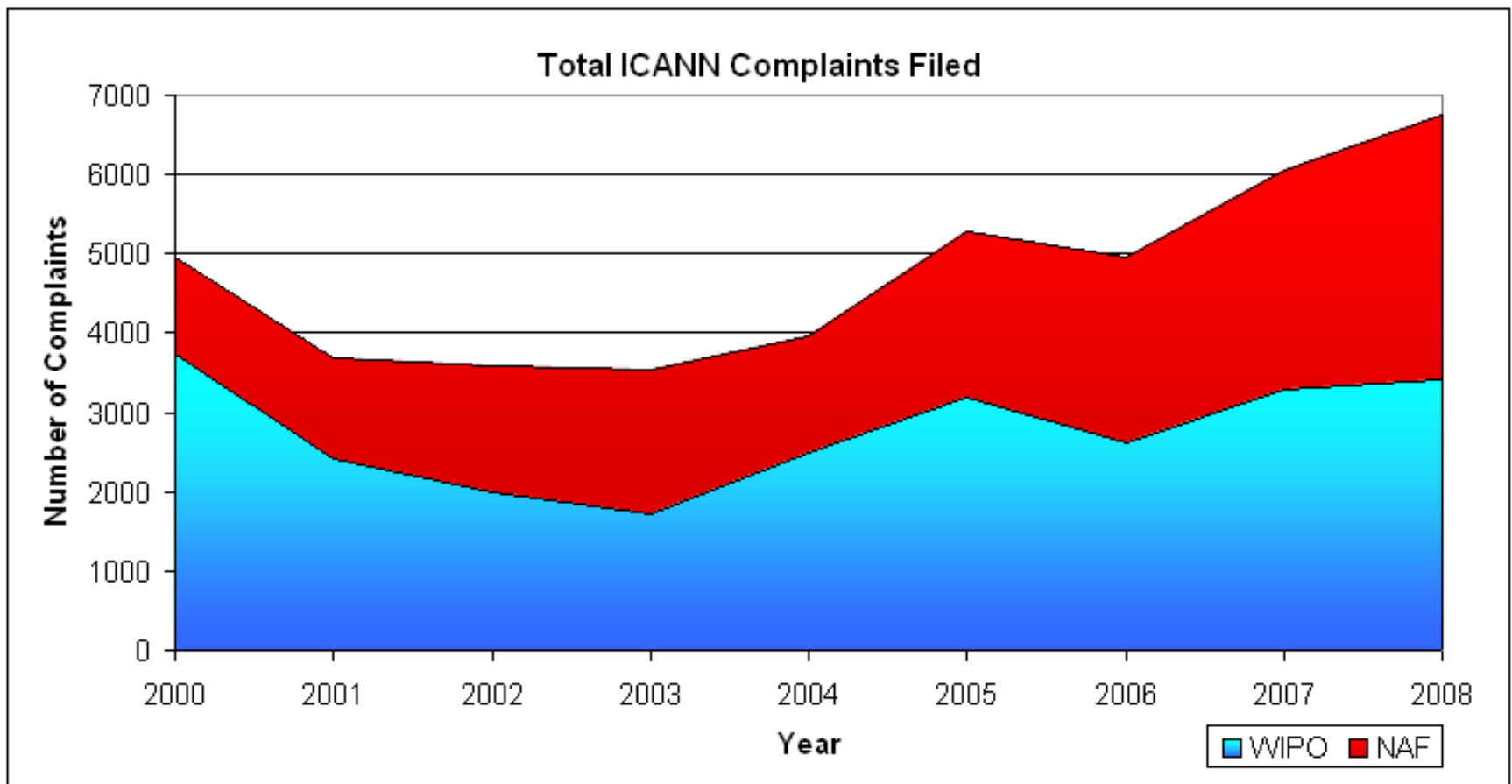


Statistical Trends

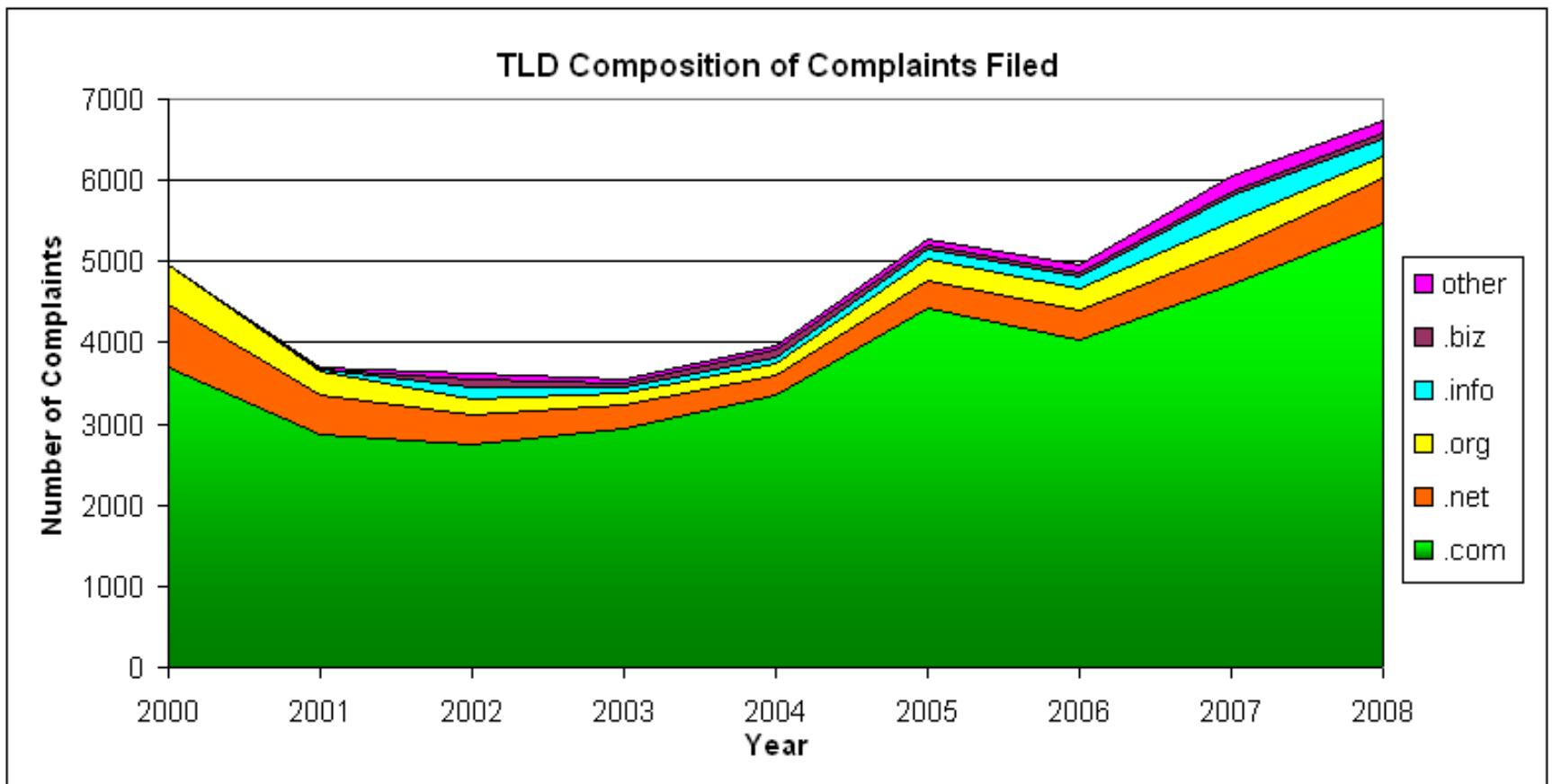
- Service providers are required to publish cases
- Arcane formatting and sheer volume make statistical analysis difficult
- Flurry of academic papers in early 2000-2002.
- Methodology



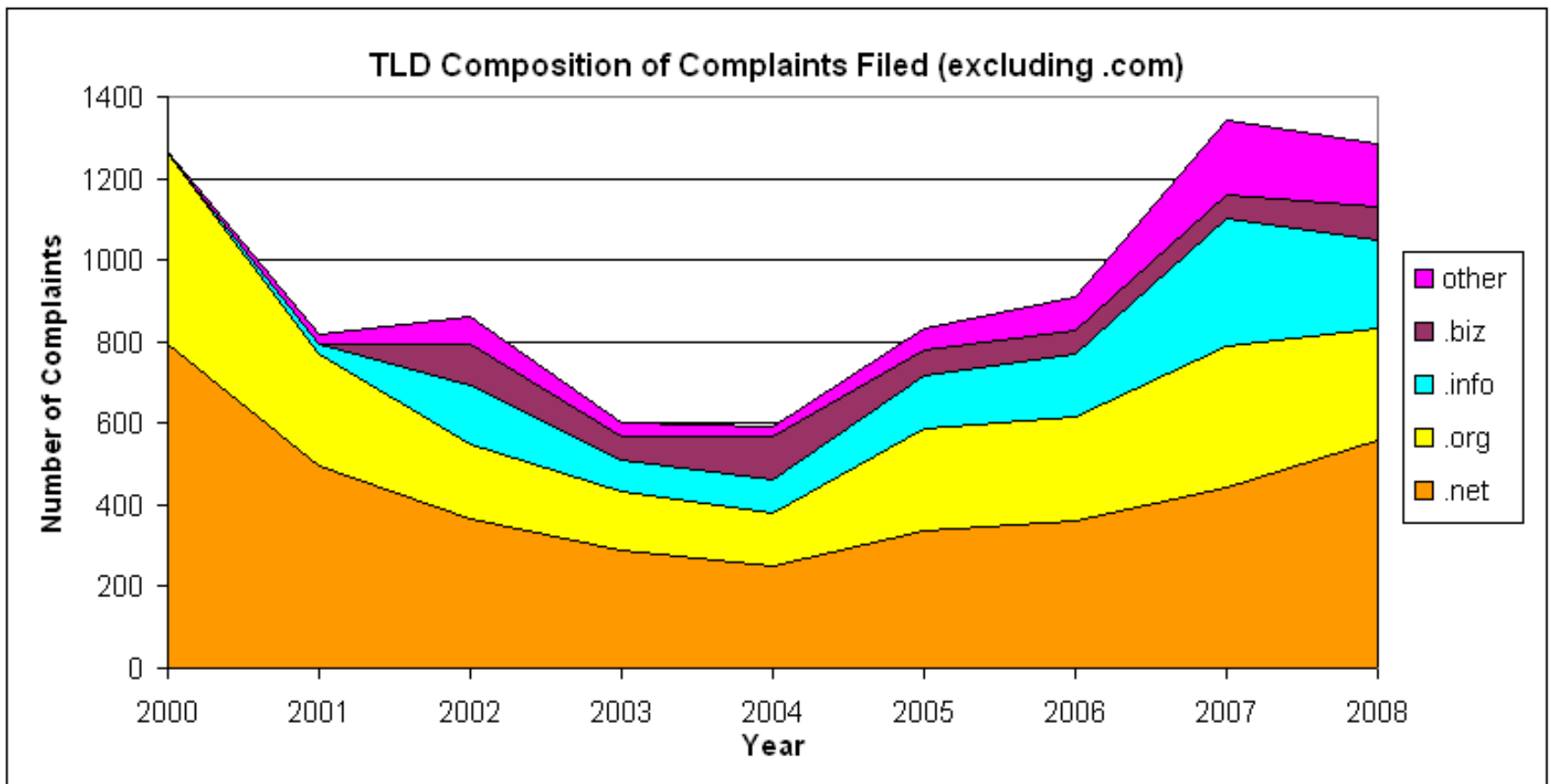
Caseload



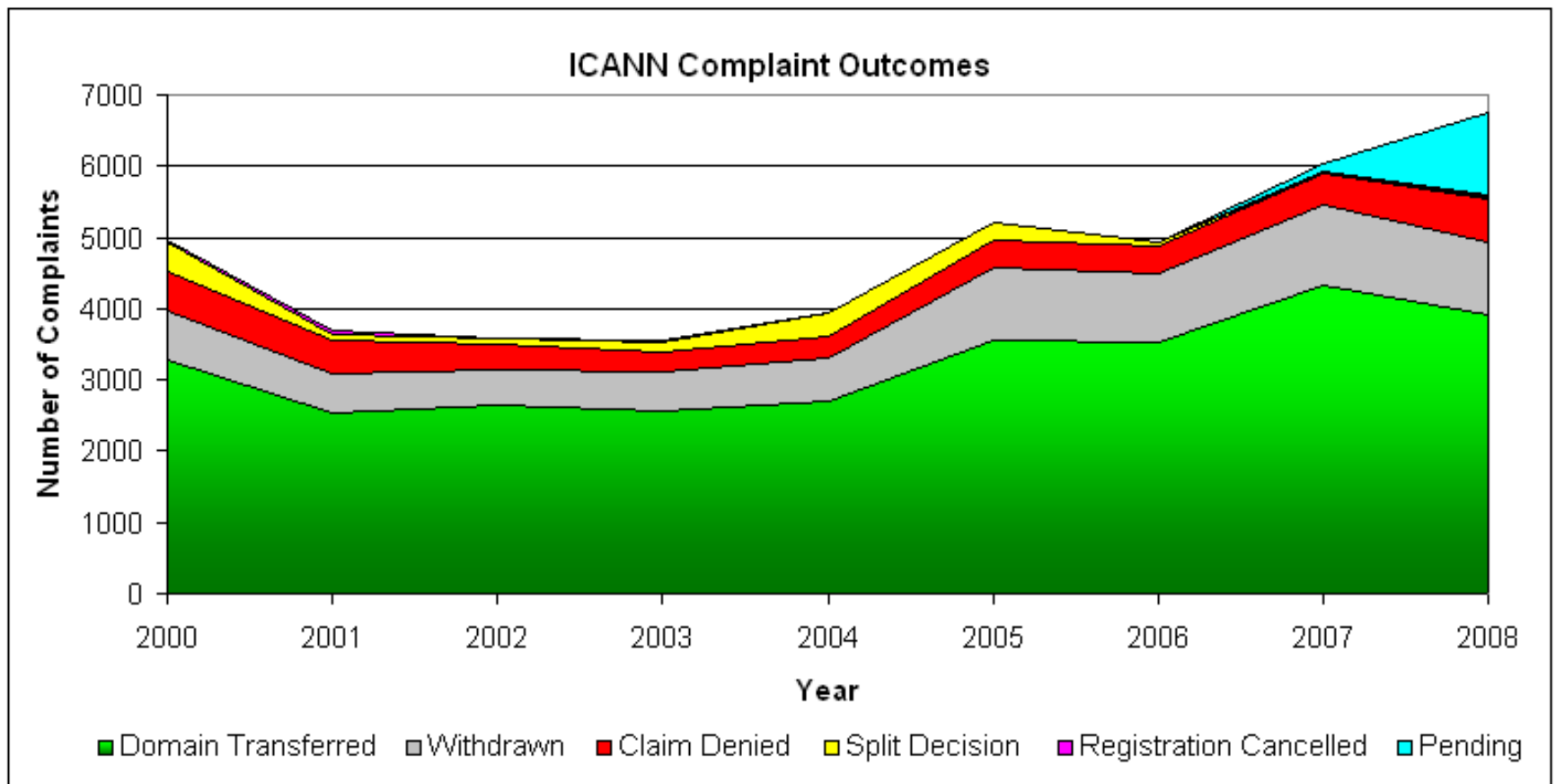
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Outcomes



Forum Selection

- Fees:

No. Disputed Domains	WIPO		NAF	
	Single-Member	3-Member Panel	Single-Member	3-Member Panel
1-2	\$1500	\$4000	\$1300	\$2600
3-5	\$1500	\$4000	\$1450	\$2900
6-10	\$2000	\$5000	\$1800	\$3600

- First Amendment considerations
- Based on data, NAF may be the best forum for most complainants



The Evolving Cybersquatter

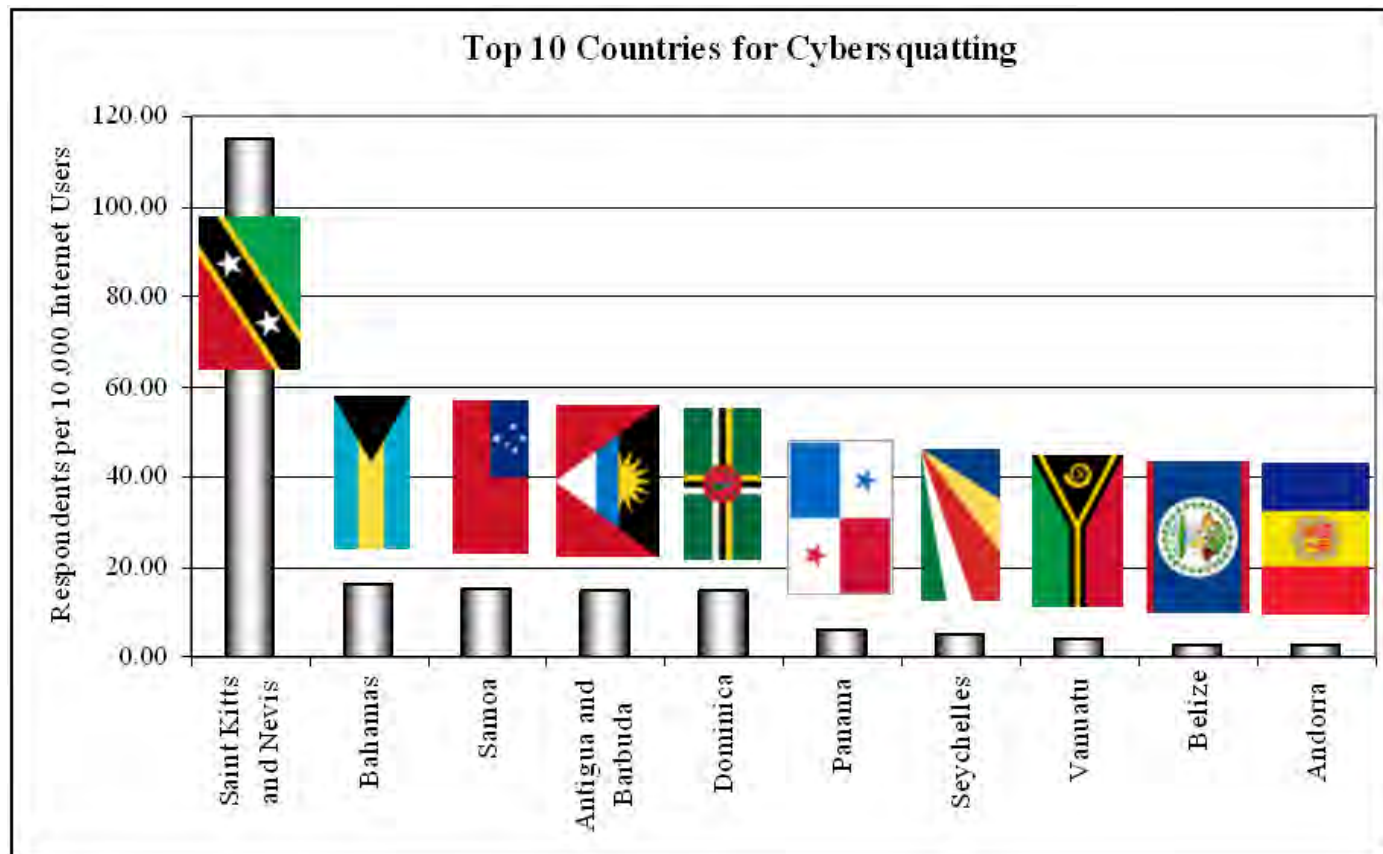
- Top Ten Countries for UDRP Respondents:

1. United States	5,810
2. United Kingdom	1,241
3. China	733
4. Canada	698
5. Spain	676
6. South Korea	596
7. France	465
8. Australia	354
9. Italy	220
10. Netherlands	219



The Evolving Cybersquatter

- Normalized by Number of Internet Users:



Typosquatting

- Cybersquatters register the reverse of your mark
 - joecartoon.com v. cartoonjoe.com
- Cybersquatters exploit misspellings
 - washingtonpos.com
 - playbochannel.com
- What Works:
 - Register full series of domain names
 - Search and watch for cybersquatters
 - ICANN Action

~~Typo~~squatting

WHOIS

Google™

Typosquatting Country Code TLDs (ccTLDs)

~~.com~~ = .cm = Cameroon



~~.com~~ = .co = Colombia



~~.com~~ = .om = Oman



~~.net~~ = .ne = Niger



~~.net~~ = .et = Ethiopia



Snapping

- Cybersquatters watch for the expiration of domain name registrations and pounce
- Cybersquatters troll cyberspace looking for marks to exploit
 - Target high volume domains
 - Common with pornographers
 - Click-through profit
- What Works:
 - Docket expiration dates
 - Purchase automatic renewal
 - Pornographers respond to money!
 - Cease & Desist letter to Registrant
 - ICANN Action



Registrant Anonymity

- Cybersquatters purchase “Registrant Privacy”
 - PrivacyPost
 - Moniker Privacy Services
 - Domains By Proxy
- Anonymity forfeit
 - Federal suit under ACPA
 - ICANN complaint under UDRP
- What Works:
 - Cease & Desist letter to Registrar with instructions to forward
 - File ICANN Action



Domain Tasting & Kiting

- ICANN provides a 5-day grace period for returning unwanted domains
 - Cybersquatters “tasted” thousands of domains and returned the unprofitable ones
 - “Kiting” occurs when cybersquatters re-register the returned domains
 - Effectively free registrations
- Parked pages for click-thru revenue
- 6/26/08: Adopted non-refundable \$0.20 return fee
 - Conditions limit application to large portfolios
 - 84% drop in returned domains since adoption



Domain Name Front Running

- Network Solutions caught registering all domains searched on its website for a period of five days
 - A form of Registrar tasting
 - Network Solutions argued customer “safeguarding”
- Sparked ICANN investigation and customer backlash
- ICANN’s non-refundable \$0.20 return fee stopped this practice

The logo for Network Solutions, featuring the word "Network" in a grey sans-serif font above the word "Solutions" in a green sans-serif font. A registered trademark symbol (®) is located to the upper right of "Solutions". The logo is centered within a white rounded rectangular box with a thin grey border.

Network
Solutions®

Matthew M. Jennings

Intellectual Property

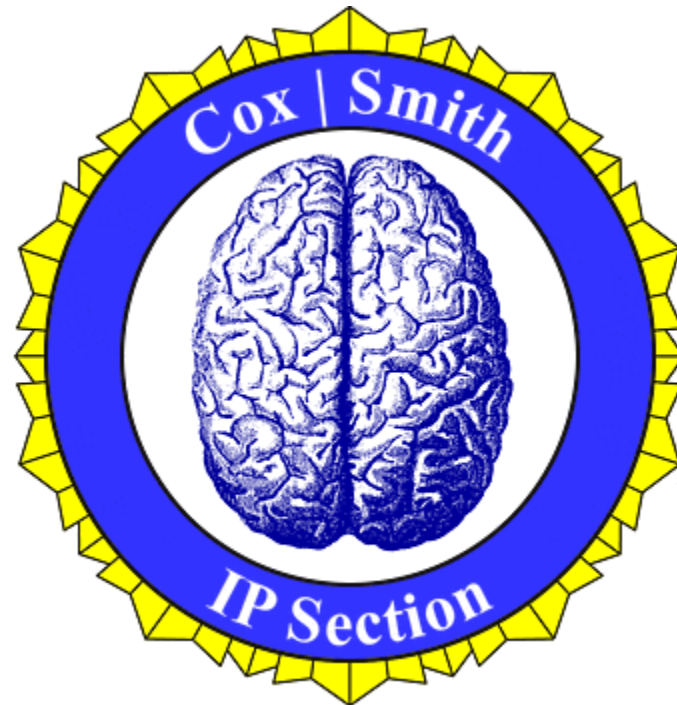
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