

UPDATE: EXPANSION OF WEB DOMAINS COULD HURT BRANDS

This memorandum updates the Client Memorandum we distributed on January 7, 2009 entitled “Expansion Of Web Domains Could Hurt Brands.”

In response to material issues raised in the public comments to the Draft Applicant Guidebook distributed in October 2008 by the Internet Corporation for Assigned Names & Numbers (“ICANN”) concerning proposed procedures for issuing new generic top level domains (“gTLDs”), ICANN announced that the initial application period for new gTLDs will likely not open prior to December 2009.

Also, on February 18, 2009, ICANN issued a second version of the Draft Applicant Guidebook¹ containing certain changes made in response to public comments. However, as to four areas of public concern that must be resolved before the application period can launch—trademark protection, security and stability, malicious conduct, and demand and economic analysis—² ICANN merely presented and analyzed public comments to the first version.³

Concerned parties may submit comments on the second Draft Applicant Guidebook until April 13, 2009. ICANN plans meetings in conjunction with the World Intellectual Property Organization for mid-2009 to continue the dialog with interested parties.

During the first comment period, brand owners raised concerns that the introduction of new gTLDs would sharply increase the cost of trademark enforcement. For example, the new gTLD system, as proposed, does not adequately prevent a rogue applicant from obtaining gTLDs that contain another’s trademark. In response, ICANN specifically recognized the need to create protections for brand owners with an eye toward cost, and insists that it intends to incorporate enhanced protections into the final gTLD application process. However, sufficient protections will be assured only if trademark owners participate in the rule-making process with ICANN.

¹ Draft Applicant Guidebook, Version 2, *available at* <http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-18feb09-en.pdf>.

² Draft Applicant Guidebook: What You Told Us, *available at* <http://www.icann.org/en/announcements/announcement-3-18feb09-en.htm>.

³ New gTLD Draft Applicant Guidebook: Analysis of Public Comment 18 February 2009, *available at* <http://www.icann.org/en/topics/new-gtlds/agv1-analysis-public-comments-18feb09-en.pdf>.

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