The gTLD, THE .BRAND, AND THE UGLY: Trademark Issues in the Wild West of Domain Name Registration

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INTRODUCTION

The latest generic top-level domain ("gTLD") name expansion, implemented by the Internet Corporation for Assigned Names and Numbers ("ICANN") in 2011, poses significant obstacles to trademark owners seeking to protect their mark in an ever-expanding Internet. ICANN asserts that the recent gTLD expansion attempts to limit the fraudulent and infringing use of a trademark within domain names. However, in reality, this expansion forces trademark owners to make difficult, costly, and strategic decisions when protecting their mark, especially with the increased diminution of a domain name's value. This Comment demonstrates why ICANN's most recent expansion is in the interest of neither consumers nor trademark owners, why its implementation contravenes longstanding legislative and judicial approaches to trademarks, and how these disparities can be reconciled.

I. BACKGROUND

The Internet has become an increasingly integral tool in our everyday lives over the past twenty years. Its capabilities and uses are expanding exponentially, making it difficult to predict the impact it will have on future innovations. ICANN was founded to address the growing need of domain name regulation and internet protocol address ("IP address") allocation since these were largely considered to be cross-computer communication languages over the Internet.1 Over time, however, domain names have become valuable business identifiers, connecting domain names to trademark law. Therefore, when ICANN discussed the possibility of expanding the generic top-level domain name registry, it was met with fervent opposition, especially by many practitioners in the trademark community.

Given the proliferation of social media and search engines, such as

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Google, domain names do not seem to have quite the same cache that they once had as source identifiers. If this is the case, then the expansion of the gTLD registry will be of lesser importance in trademark law now since one merely needs to remember the name of a product and type it into a search engine, rather than remembering its exact domain name, including the gTLD. In the meantime, if the expansion is even mildly successful, there will be detrimental implications on trademark law with respect to a trademark owner’s ability to police and enforce trademark rights.

Additionally, there are other reasons why domain names are becoming increasingly less important as a valuable source identifier. The interactions between the general public and websites continues to change on a daily basis. Recent innovations, such as Google’s omnisearch window that prompts users to type their search or known URL into the same window, indicate a general movement away from consumers remembering a domain name. Moreover, in the last year, several technology companies have pushed to remove or reduce the presence of URLs within users’ search results, further negating the importance of domain names as source identifiers. As a result, ICANN’s current expansion of gTLDs puts trademark owners in a difficult position to police their mark. By flooding the domain name market with seemingly infinite permutations of possible registrations, a trademark owner is not only responsible for monitoring a much larger pool of possible infringers, they must also make difficult strategic decisions to decide whether or not to register those domain names for themselves. In doing so, undue stress is placed on trademark owners to increase the enforcement of their mark as the domain name market increases, while the current and future value of domain names is decreasing.

This Comment will illustrate why ICANN’s gTLD expansion threatens trademark owners’ ability to viably protect their mark by giving undue weight and monetary value to a registration in light of the continued diminution of domain names in the marketplace. It will address the issues ICANN’s gTLD expansion creates for trademark owners through two case studies of gTLD registries within an international context. Section II addresses the .BRAND gTLD case survey and explores the issues with the new gTLD expansion through the lens of a gTLD strand and a prospective registry operator. Section III evaluates the .SUCKS gTLD case study, addressing ICANN’s expansion in relation to trademark infringement issues within second-level domain names.

A. BRIEF DOMAIN NAME SYSTEM HISTORY

The domain name system has endured a series of changes in its

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structure and oversight since the advent of the Internet. In the 1980’s, before the Internet was widely available and used by the general public, Internet page assignments were confined to the assignment of IP addresses, comprised solely of a number string. During this era, the National Science Foundation ("NSF") contracted aid from Network Solutions Incorporated ("NSI") as the use of the Internet grew, expanding the system to assign each IP address a domain name and making it easier for the general public to locate the webpage they desired without having to memorize a number string. With the unprecedented expansion of the Internet in the 1990’s, the NSF and NSI could no longer handle the sheer volume of assignments and dispute resolutions required to maintain an efficient domain name system ("DNS"). In 1998, in response to mounting international and domestic concerns regarding the state of the DNS, the Commerce Department drafted a policy report, known as the White Paper, addressing the future of the domain name system. The report included modifications to an earlier proposal to assign an updated domain name system to a private, non-profit organization, as opposed to the U.S. government. The report also cautioned that if gTLDs were expanded in the future, the regulatory body in charge “should proceed at a deliberate pace, in order to maintain the stability and promote the controlled evolution of the DNS.”

Later that year, ICANN was established in the United States as the private, non-profit organization charged with managing the new DNS. Its stated mission was to ensure a stable, secure and unified identifier system, which encompasses its core values of maintaining security and stability of the Internet, promoting competition, considering global governmental organizations' recommendations when implementing new policies, and practicing transparent and fair policies when feasible and appropriate. Seventeen years later, ICANN’s main function is to allocate managerial responsibility to third party entities known as “registry operators.” A registry operator is charged with the responsibility of managing and operating domain names within their respective top-level domain ("TLD"). Registry operators may in turn work with registrars that will sell domains within the registry operator’s gTLD to individuals.

Within a year of ICANN’s inception, the Anticybersquatting

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6. Id.
7. Id.
10. Id.
12. See id.
13. Id.
Consumer Protection Act ("ACPA") was born out of difficulty resulting from the intersection of trademark law and domain name registration. As the Internet gained popularity, it was increasingly more difficult for trademark owners to protect the use of their trademark within domain names from third parties because of cybersquatters' broad First Amendment protections. Enacted in 1999 as an amendment to the Lanham Act, Congress drafted ACPA with the intent:

to protect consumers and American businesses, to promote the growth of online commerce, and to provide clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks . . . .

Congress' intent in creating ACPA was largely to mitigate the number of cybersquatters registering domain names with the bad-faith intent of profiting from the resale back to their respective trademark owners. Furthermore, Congress stipulated that the detrimental impacts of cybersquatting included "consumer fraud and public confusion as to the true source or sponsorship of goods and services; impair[ing] electronic commerce . . . , depriv[ing] legitimate trademark owners of substantial revenues and consumer goodwill; and plac[ing] unreasonable, intolerable, and overwhelming burdens on trademark owners in protecting their valuable trademarks."

Taking into account the history of the DNS in its various incarnations, it continues to face relatively the same issues, even in new contexts. The recurring struggle seems to be striking a balance between user-friendly functionality and ensuring trademark owner protections without infringing on free speech. It follows that a continuously expanding Internet creates regulatory obstacles on an equally extensive scale.

B. GENERIC TOP-LEVEL DOMAIN NAMES ("GTLDS")

The anatomy of a Uniform Resource Locator ("URL"), or domain name, is segmented but relatively straightforward. A "generic top-level domain name" refers to what appears to the right of the "dot" in a URL; for example " .com" or " .org" are generic top-level domain names or gTLDs. The string of words that appear to the left of the "dot," preceding a gTLD, are known as second-level domain names, such as "Google" in "google.com." The original gTLDs were limited to certain types of services for each gTLD, such as " .com" for business organizations, " .edu"
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for educational institutions, ".mil" for military offices and units, ".org" for non-profit or public organizations, ".gov" for governmental entities, or ".net" for internet network related entities.\(^{21}\)

By the late 1990s, ICANN considered the possibility of expanding gTLDs, commissioning the World Intellectual Property Organization (WIPO) to conduct a study concerning potential issues with domain name expansion.\(^{22}\) WIPO's overarching response was if ICANN chose to expand gTLDs, to do so slowly and cautiously.\(^{23}\) However, following the 1999 report, ICANN announced in 2000 the addition of seven new gTLDs: ".info" for general purposes of providing information, ".museum" for use only by museum entities, ".name" for use on personal websites, ".biz" for business and commercial use, ".aero" for use by the airline industry, ".coop" for use by cooperative groups, and ".pro" for use by licensed professionals.\(^{24}\)

A similar exchange occurred in 2004, when Paul Twomey, CEO of ICANN, sent a request to WIPO to "provide expert advice on 'intellectual property issues involved in the introduction of new gTLDs,'" this time directing focus specifically on the implications on intellectual property issues, rather than simply whether ICANN should introduce new gTLDs.\(^{25}\)

While the report re-emphasized the notion that expansion should be in a "slow and controlled manner," it notably highlighted the notion that "from an intellectual property perspective, adding more open, i.e., unrestricted and unsponsored gTLDs, is more likely to increase the likelihood of confusion (and the cost for defensive or preemptive measures) than the scope for brand differentiation."\(^{26}\)

Following the publication of the second WIPO report, ICANN announced the addition of seven new sponsored gTLDs in 2005.\(^{27}\) These new gTLDs included ".cat" for Catalan affiliated entities, ".jobs" for companies wishing to post employment related information, ".mobi" for mobile companies and related services, ".travel" for entities affiliated with the travel industry, ".tel" for internet communications, ".post" for postal services, and ".xxx" for adult entertainment.\(^{28}\) While a "sponsored" gTLD limits registration to either a certain community or certain purpose,\(^{29}\) the addition of fourteen new gTLDs over the course of five years, without adding supplementary procedures for registry operators, went against both of the 1999 and 2005 WIPO reports.

\(^{21}\) McCARTHY, supra note 1, § 25A:14.


\(^{23}\) See id. § 4.

\(^{24}\) McCARTHY, supra note 21, at 1–2.

\(^{25}\) WIPO Intellectual Property Considerations, supra note 22.

\(^{26}\) See id. at § 3.1.21.

\(^{27}\) McCARTHY, supra note 21, at 2.

\(^{28}\) See id.

Most recently, in 2008, ICANN announced an unprecedented expansion of the gTLD system.30 Implemented in 2011, with goals of “enhancing competition and consumer choice, and enabling the benefits of innovation via the introduction of new gTLDs . . . ,” ICANN opened up registration for entire gTLDs in any word or brand for qualified entities.31 Although it is a rather involved and costly process, the application process is open to any qualified applicant. The application cost is $185,000 for an “evaluation fee.”32 Submitted applications are assessed in random order determined by a lottery, processed by ICANN staff, and evaluated by third-party experts independent of ICANN.33 If the application is approved and no other party has filed an application for the same gTLD, ICANN proceeds with delegating the new gTLD to the applicant.34 However, if other parties have submitted applications for the same or confusingly similar gTLD, an auction is held.35 Auctions are undeniably more common depending on the level of fame or value a gTLD is accorded. In addition to the initial cost of a gTLD application, applicants must also have sufficient funds for “ongoing registry operating costs, [and applicants] must demonstrate sufficient financial depth to keep the registry fully operational for at least three years even if the business plan does not achieve its objectives.”36

C. THE DIMINISHING IMPORTANCE OF DOMAIN NAMES

ICANN’s expansion of its gTLD registration does not comport with consumer preferences, which is the very cornerstone of trademark law. Domain names do not carry the same importance with consumers as they once did. With the advent of smartphones, social media, and technological innovations, such as Google’s omnisearch function, there is not a strong demand for consumers to memorize the domain name of a given brand or organization. Furthermore, ICANN’s expansion to potentially 1,300 new gTLDs adds a dilutive impact on the value of domain names by essentially swamping the Internet with a multitude of different possible domains that a trademark owner could register and use. Therefore, based on the nature in

33 See New Generic Top-Level Domains: About the Program, supra note 31.
34 See Benefits & Risks, supra note 32.
35 See generally New Generic Top-Level Domains: Auctions, INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS, http://newgtlds.icann.org/en/applicants/auctions (last visited Apr. 18, 2015) (explaining how auctions are held in an “ascending-clock” manner with an ever increasing price set for each auction round until the remaining applicant is willing to pay the finalized cost for the gTLD).
36 Benefits & Risks, supra note 32.
which the public interacts with various Internet websites and organizations, the relevance and value of domain names are significantly diminished.

Evan Williams, co-founder of Twitter and Blogger, has written about the continued diminution of domain names as a valuable asset.37 Citing examples, such as Google’s omnisearch function, autocomplete search suggestions, mobile web browsers, mobile apps, and the copy/paste function, Williams asserts that there is neither a need nor a practicality for the average Internet user to memorize a domain name.38 Furthermore, Williams contends that technology that makes it easier to locate and access a given brand’s website negates the need for an intermediary identifier, such as a domain name.39 Instead, Williams contends that “product and brand names” are what continue to matter the most “in an increasingly crowded internet.”40 Consumers will recognize a brand before they recognize a domain name. Even companies that exist solely on the web are referred to by their trademarked name, such as “Facebook” and “Google.” While the value of having a web presence is essential for companies in today’s market, it is largely the trademark, not the domain name itself, that serves as an identifier of goods or services.

On April 16, 2015, Google announced that its mobile search platform would no longer display a webpage’s URL, replacing it with a “breadcrumbs” format.41 For example, instead of displaying the URL: “http://en.wikipedia.org/wiki/San_Francisco_Giants,” for the San Francisco Giants Wikipedia page, the new “breadcrumb” format would merely display: “Wikipedia > wiki > San_Francisco_Giants.” This new reformating completely omits the top-level domain name and instead maintains the key element(s) (usually the trademark) of each part of the URL. Currently, this format is only employed on the mobile search platform.42 However, there is speculation that Google will eventually expand this feature to the desktop version as well.43 Additionally, eye tracking studies suggest that even if a domain name is displayed within search results, a “majority of users who view such search results spend little or no time looking at the site address portion of

38 See id.
39 Id.
40 Id.
42 Hern, supra note 41.
each search result." If a user clicks on a certain search result, they are likely to focus his or her attention immediately on the content of the site itself, without noting the website address that appears in the address bar." In this instance, even if ICANN continues to approve and license new gTLDs to companies, the way consumers identify the website they are looking for within search results will not change.

In that respect, ICANN’s gTLD expansion takes consumers out of the domain name equation by failing to consider how a majority of consumers use the Internet. If ICANN’s purported goal in expanding the eligibility of gTLD registration is to “enhance competition” and “enable benefits of innovation,” it fails to adequately achieve either. Instead, the expansion produces an artificial competition between trademark owners and potentially infringing third parties and also detracts from the benefits of innovation by failing to acknowledge current innovations implemented by Internet companies. With the proliferation of gTLDs, defensive registration within each gTLD will be the utmost concern to trademark owners wishing to strategically protect and enforce trademark rights with all available resources. This, however, poses a problem as it takes consumers out of the equation and dilutes what little value domain names have left.

II. CASE STUDY: .BRAND

ICANN’s most recent gTLD expansion gave trademark holders the ability to register an entire gTLD for a brand, known as the .BRAND gTLD. Since the announcement of the .BRAND registration option, 34% of total applications have been for a .BRAND gTLD, representing the largest overall percentage of applied for gTLDs. This not only suggests that trademark owners see this type of gTLD as an important facet to their trademark protection strategy, it also produces a potential predicament surrounding a domain name’s current and future value.

The introduction of a .BRAND gTLD category is an example of one issue trademark owners’ face in protecting and enforcing their marks across an entire gTLD registry. Allowing a party to register and maintain an entire gTLD for a goods or services mark presents potential problems concerning global protections for international trademarks. Furthermore, it presents

45 Thomas, supra note 44, at 50.
potential problems for domestic analysis of domain names as an indicator of source within a likelihood of confusion analysis. ICANN’s most recent expansion flagrantly ignores both how consumers use the Internet to search for and identify brands, as well as, how trademark law assesses a domain name in an infringement claim.

A. REGIONAL TRADEMARK ISSUES IN THE GLOBAL ECONOMY

The most recent expansion of gTLDs to encompass .BRAND registries poses a difficult obstacle for trademark owners who do not have internationally recognized marks. Following ICANN’s announcement regarding the introduction of .BRAND gTLDs, there was a barrage of vehement consternation throughout the international community, fearing their brands would not receive adequate protection in general, but especially when competing with larger U.S. brands. In response, ICANN posted a proposal, at the request of the Brand Registry Group, open to public comment, to amend the gTLD Registry Agreement, known as Specification 13. Specification 13 was approved to be enacted on March 14, 2015 with a goal to more adequately “reflect certain limited aspects of "BRAND" New gTLDs.” Such amendments to the original Registry Agreement included: restrictions on the number of registrants for a given gTLD, the requirement that the gTLD string be identical to textual elements protected under applicable law, of a registered trademark, and a requirement that the gTLD not be a generic string that denotes or describes a general class of goods or services. ICANN struggled to narrow the definition of bounds within which a .BRAND gTLD could be registered, which was met with ardent disagreement. Addressing trademark law issues specifically, the governments of Chile and Argentina, most likely in response to blocking the outdoor company Patagonia Inc. from registering the .PATAGONIA gTLD, stated the following:

Trademarks are not gTLDs. Trademark rights have no similarity to the rights conferred on using ICANN’s new top-level domain names. Trademark rights are conferred by States to individuals for the sole purpose of protecting the bona fide use of a mark in a specific category of products or services. There is no system of brands in the world to grant general rights on the use of a sign or name. Requested trademark


applications have been ordered for specific products and services demonstrating recognition of the limitation of the company’s rights. In the national nomenclature of goods and services (in accordance with the Treaty of Nice) there are 45 classes of goods and services.  

Although the governments of Chile and Argentina had a personal stake in protecting the .PATAGONIA gTLD, it is emblematic of the type of conflict that arises with the continued expansion of .BRAND gTLDs. First, focusing on the argument that trademark rights are conferred by states for the sole purpose of bona fide use of a mark for specific goods and services, ICANN’s .BRAND gTLD goes against this very concept. Once a company has registered a gTLD for their brand mark, it takes the entire use of that gTLD for that mark out of the market for any other company that has a co-existing or similar mark, but is not as well known. Second, focusing on the argument that trademark applications are narrowed for certain goods and services, recognizing a company’s limited rights in use of a mark, ICANN’s .BRAND gTLD destroys this concept as well. In allowing a company to purchase an entire gTLD for a brand, it fails to serve as an identifier for specific goods and services, and instead grants that company unbridled protection in the use of that mark in any market. Applying these two concepts in an international context makes trademark protection in a global market near impossible.

Despite the fact that ICANN is an independent, non-profit organization, it is still located in the United States and is largely governed by and receptive to U.S. federally registered trademarks. Accordingly, the expansion of .BRAND gTLDs poses a threat to international and domestic trademark owners who have only “niche fame,” or common law protections, making it difficult to effectively enforce and protect their mark(s). In ICANN’s current registration approach, large companies with unlimited resources will always beat smaller, local companies in the race for gTLD registration. Moreover, the presentation of a .BRAND gTLD under either Google or Apple’s mobile web browser would not even display the brand’s mark unless it was also included in the second-level domain. Including the brand’s mark in the second-level domain would be excessive if the brand owner does in fact own the entire gTLD. Therefore, the .BRAND registration process not only capitalizes on wealthy, largely American companies registering trademarks as gTLDs, but also creates an artificial inflation in the value of those gTLDs, when they most likely will not be seen. Simultaneously, smaller, international brands are left defenseless.

ICANN’s 2011 gTLD expansion also included what is referred to as

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54 See New gTLD Applicant Guidebook, INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (June 4, 2012), HTTPS://NEWGTLDS.ICANN.ORG/EN/APPLICANTS/AGB/GUIDEBOOK-FULL-04JUN12-EN.PDF (explaining that a trademark owner must have a registered trademark registered with the Trademark Clearinghouse to be eligible for a .BRAND gTLD). See also Benjamin G. Davis, Une Magouille Planetaire: The UDRP is an International Scam, 72 MISS. L.J. 815, 821 (2002).

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"internationalized domain names." An internationalized domain name refers to a domain name that appears in characters other than Latin character, such as Cyrillic, Arabic, or Chinese. In that respect, not only has ICANN opened the proverbial floodgates in expanding gTLD registration to essentially any word or phrase, but almost too limitless permutations of those gTLDs in different characters as well. Such an unprecedented expansion not only further dilutes the value of any given domain name, but also serves as a source of confusion to the average consumer using the Internet. Furthermore, while ICANN employs a Governmental Advisory Committee (GAC) to advise on possible issues that international governments might have with a gTLD application, the advice only occurs at the preliminary evaluation phase, and the committee is purely advisory without any actual enforcement capabilities. As a result, ICANN’s unparalleled expansion presents issues within an international context, further diluting the value of a brand’s domain name, and simultaneously convoluting domain names as a brand identifier to consumers. This makes it exceedingly more difficult for trademark owners to promote and protect their brands, especially without access to unlimited resources.

B. GTLDS AS AN INDICATOR OF SOURCE

The introduction of brands as an option for a gTLD creates an area of vulnerability for trademark owners falling outside the purview of case law. Existing authorities have consistently found that only second-level domain names serve as source indicators, likening a top-level domain name to a generic term such as “Incorporated.” Furthermore, unlike second-level domain names, which can be used by coexisting trademark owners within different top-level domains, a specific gTLD may only be used by one trademark owner. For example, in the case of Delta Airlines, Delta Dental, and Delta Faucets, Delta Airlines has applied for and passed the initial evaluation stage of the .BRAND process for the .DELTA gTLD. If Delta’s application is approved, it will be granted sole use over the “DELTA” mark as a gTLD without giving consumers any indication as to what the exact source of the gTLD refers. Consequently, within ICANN’s first come, first serve registration system, a trademark owner, faced with

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56 Id.
58 MCCARTHY, supra note 1, § 7:17.50. See also Brookfield Commc’n, Inc. v. West Coast Entm’t Corp., 174 F.3d 1036, 1055 (9th Cir. 1999).
59 Benefits & Risks, supra note 32.
opposition from other co-existing trademark owners, would be most successful if they are willing to spend more money during an auction phase. This system invariably rewards the wealthiest companies with a monopoly on their trademarked terms within a large portion of the internet. This in turn, makes it extremely difficult for other, less prosperous trademark owners to protect the use of their mark, while simultaneously artificially driving up the price of a gTLD registration.

Throughout the last year, courts have been stubborn to amend their approach to a domain name trademark dispute, steadfastly holding that only second-level domain names serve as a distinctive feature indicating source, sponsorship, or affiliation. When viewed through the traditional lens of the “.com” gTLD this seems rather logical. However, given the expansion into the .BRAND gTLD, it seems rather inane to continue to classify them as generic, non-distinct elements.

In Image Online Design v. Core Ass’n, and again in Del Monte Int’l GmbH v. Del Monte Corp., the court highlighted that no court had previously assigned trademark rights to a gTLD, but instead, have done the opposite: “‘[R]ather than look at a gTLD to determine trademark rights, the Ninth Circuit and others ignore the TLD as though it were invisible next to the second-level domain name in an infringement action.’”61 At the very most, courts have only found that a gTLD indicates a type of website.62 However, if ICANN continues to approve .BRAND applications, courts will likely have to assess a domain name as a whole, taking into account both the second-level and top-level domain names to determine the likelihood of confusion between two marks.

ICANN defends the .BRAND gTLD by asserting that the .BRAND gTLD will serve as the, “best fraud prevention and trademark protection,” by allowing a company to control every second-level domain within their registered gTLD, mitigating cybersquatting and third-party infringement.63 However, ICANN fails to consider that consumers are capable of distinguishing between co-existing marks when viewing a brand in the context of their offered goods or services. In removing the context in which a brand is presented, consumers are more likely to be confused as to which “DELTA” the gTLD is referencing.

Therefore, taking into account the immediate impact .BRAND gTLDs impose on trademark owners and trademark law, it seems both injurious and spurious to continue approving such applications under the guise of limiting fraud and protecting trademark owners, as the value of domain names continually diminish.
III. Case Study: .SUCKS

Certain gTLDs approved in ICANN's latest expansion demonstrate the specious nature of the current domain name system. The .SUCKS gTLD is illustrative of the issues trademark owners face regarding effective enforcement and protection of their mark within the second-level domain name registry, most notably concerning predatory pricing for purely defensive registrations. This is especially disconcerting given a domain name's continual diminished value. In 2013, Vox Populi Registry, a Canadian company, announced that they would be launching a .SUCKS gTLD.64 Vox Populi's stated goal in launching the gTLD is to help consumers find their voices and allow companies to find value in criticism.65 While the goal of facilitating valuable rapport between consumers and corporations is an admirable one, the implementation of the .SUCKS gTLD seems suspect. There are several issues the .SUCKS gTLD poses to trademark owners including, but not limited to, predatory pricing, limited available remedies, and first amendment protections (which also protects the second-level domain names).

A. Pricing Concerns for Trademark Owners

The .SUCKS gTLD puts trademark owners in a strange and difficult position when it comes to defending and enforcing their marks. Vox Populi's proposed registration system presents several issues that are deleterious to trademark owners' ability to protect their marks. These issues only serve to reward the registry operator and make enforcement of an individual's mark more convoluted. The employment of the following mechanisms within the .SUCKS registry are the greatest causes of concern for trademark owners: (1) Sunrise Period, (2) Premium, (3) Sunrise Premium, (4) Domain Block, and (5) Consumer Advocate Subsidized.

1. Sunrise Period

ICANN requires that a Sunrise Period will be available for all new gTLDs during the first phase of their launch, with the intent of providing trademark owners a priority to register domains that correspond to their registered marks before the general public.66 This began for the .SUCKS gTLD on March 30, 2015.67 The annual renewal fee for a domain registered during this period will be $2,499 per year.68

2. Premium

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65 See Application from Vox Populi Registry, Inc. to ICANN § 18(a)-(b), App. ID. 1-2080-92776 (June 13, 2012), available at https://gtldresult.icann.org/applicationstatus/applicationdetails/54.
66 See Brian J. Winterfeldt, Philip V. Marano & Griffin M. Barnett, What To Do About the .SUCKS New gTLD, INTELLECTUAL PROPERTY ADVISORY (Mar. 23, 2015), https://www.kattenlaw.com/what-to-do-about-the-SUCKS-new-gTLD.
67 Id.
68 Id.
Premium domain names are subjectively determined by the registry operator, in this case Vox Populi, as domains that are deemed particularly valuable compared to others. There are no set limits for the determination process, no cap on how many domains can be classified as premium, and no notification in advance to brand owners if their trademarks fall into this classification.

3. Sunrise Premium

Sunrise Premium is a category unique to the .SUCKS gTLD and differs from both the regular Sunrise Period and the regular Premium tiers. According to Vox Populi, CEO John Berard, the Sunrise Premium list is compiled of largely trademark-related strings that have been “registered or blocked in other TLDs’ sunrise periods.” If a trademark owner’s mark falls within this category, they will be forced to pay the sunrise period pricing of $2,499 annually without the option to pay the regular retail price offered to the general public at $249 annually. Vox Populi claims that this approach limits the threat of cybersquatting by placing a higher price on historically more valuable and contested domains. But, limitations placed on a sunrise premium domain indicate that there is more harm than protection within the sunrise premium tier because an exceptionally high price is placed on popular domain names, likely being purchased for purely defensive purposes. Domains relegated to the sunrise premium tier are only available during the General Availability phase beginning June 1, 2015 and are not entitled to the domain block option.

4. Domain Block

The Domain Block option is for a defensive registration rather than a registry for use of a particular domain name. It is available on a first come, first serve basis priced at $199 and is only available to domains that are classified under the Standard tier. Denying a cheaper defensive-only option to anyone but the standard tier seems to serve solely as a mechanism to force trademark owners deemed to have “valuable” domains to pay a steep price to defend their mark.

5. Consumer Advocate Subsidized

Similar to the Sunrise Premium tier, the Consumer Advocate Subsidized is a category unique to the .SUCKS domain. Domain names

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69 Id.
70 See id. (explaining historic factors include: one-word branded names, names with a high search volume, names that perfectly match a product, service, or industry, or names that would otherwise command a higher market price).
71 See id.
73 Id.
74 See id.
75 Id. (explaining the denial of the domain block option to be to encourage use within the .sucks gTLD). See also Winterfeldt et al., supra note 66.
76 See Winterfeldt et al., supra note 66.
77 Id.
that fall under the Consumer Advocate Subsidized category “are eligible for a subsidized, reduced registration price.”

EVERYTHING.SUCKS is a “consumer advocacy site” which allows parties that are unaffiliated with the trademark “to host a forum discussion website” for a reduced registration price. For example, a party unaffiliated with Google could register GOOGLE.SUCKS for a reduced price. The site would lead to a website with a discussion forum about Google hosted by the EVERYTHING.SUCKS platform. The price is significantly lower than the other options at $9.95 annually, available starting September 2015.

B. PREDATORY PRICING FOR DEFENSIVE REGISTRATIONS

As referenced above, Vox Populi asserts that the goal of the .SUCKS gTLD is to provide a platform for consumers and companies to honestly discuss their products, predicting that a .SUCKS domain has the potential to become “an essential part of every company’s customer relationship program.” However, the .SUCKS gTLD has been met with opposition regarding its pricing scheme on multiple occasions. Such opposition is justified when examined both through the context of general domain registration pricing, as well as, the nature of this specific gTLD.

Opposition first occurred when Vox Populi considered charging $25,000 per domain name during the Sunrise Period. Met with fervent public outcry, Vox lowered the price to $2,500 for a “premium domain” during the Sunrise Period. This price is still exceedingly high compared to other new gTLDs that typically sell for about $20 annually. Such pricing does not comport with Vox Populi’s stated purpose behind the .SUCKS gTLD in that charging such an exorbitant amount for a domain name seems to contravene helping any trademark owner, assuming they would want to purchase the domain for use. Moreover, citing an ICANN commissioned report by WIPO, new gTLDs “that had either no . . . or only minimal registration restrictions . . . . , had the lowest number of new domain name registrants and the largest share of registrants that already

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78 Id. See also Murphy, supra note 72.
79 Winterfeldt et al., supra note 66. See also Murphy, supra note 72.
80 Winterfeldt et al., supra note 66.
83 Matt McGee, Watch Out, Brands: The Controversial .Sucks Domain is Almost Here, MARKETING LAND (Mar. 15, 2015, 12:00 PM), http://marketingland.com/controversial-sucks-domain-almost-here-121505 (“U.S. Senator Jay Rockefeller told ICANN . . . that the domain has ‘little or no public interest value’ and call it 'little more than a predatory shakedown scheme' aimed at getting businesses to spend big money on defensive domain registrations.”).
84 See id. (explaining a “premium domain” as usually a famous mark that is up to the registrant’s discretion in allocating a higher price to what they consider to be a “premium domain”).
85 BBC NEWS, supra note 82 (stating that “[n]ew gTLDs such as .rocks’ or .forsale’ typically sell for between $5 and $20 a year).
held over 100 domain names.” 86 WIPO asserts that not only does this indicate a majority of domain names were registered for defensive purposes, but that “adding more open . . . gTLDs, is more likely [to] increase the likelihood of confusion . . . than the scope for brand differentiation.” 87 As a result, in response to such widespread disapproval, on April 13, 2015, ICANN asked U.S. and Canadian Trade Authorities to investigate Vox Populi’s registration pricing scheme for possible trade violations. 88 This however, may be difficult to overcome and enforce in the future because while Vox Populi’s prices may have been significantly higher compared with other gTLDs, there is no evidence as of yet that Vox Populi has acted outside the bounds of its registry agreement with ICANN. 89 Furthermore, despite the fact that ICANN approved and issued the .SUCKS sale and license to sell second-level domains, ICANN’s power does not extend to regulating the sale of .SUCKS second-level domains once a registry operator has been issued a license. 90

Vox Populi’s approach to the .SUCKS gTLD registration and pricing tiers available to trademark owners does not comport with relevant trademark law, the ACPA, or the legislative intent in the original creation of ICANN. When Congress drafted ACPA as amendments to the Lanham Act, they did so with the intent of, “prohibiting the bad-faith and abusive registration of distinctive marks . . . with the intent to profit from the goodwill associated with such marks . . . .” 91 Moreover, explaining why it was important to draft such legislation, Congress stated the necessity to stop the detrimental effects cybersquatting caused including, “impair[ing] electronic commerce, . . . depriv[ing] legitimate trademark owners of . . . revenues and consumer goodwill; and plac[ing] unreasonable, intolerable, and overwhelming burdens on trademark owners in protecting their valuable trademarks.” 92 While Vox Populi is not a cybersquatter, it can be surmised that its current predatory practices have the same impacts Congress identified in 1999. For example, Vox Populi’s unique Sunrise Premium phase of registration, which it deems to be for more valuable marks based on their history of opposition within other gTLDs, could easily constitute abusive registration with an intent to profit from the goodwill associated with such marks. Moreover, such high prices for registration within the .SUCKS gTLD, especially in light of the diminished value of domain names, both deprives a trademark owner of revenue and goodwill and places unreasonable, intolerable, and overwhelming burdens on trademark owners to attempt to defend their trademarks. Therefore,

87 Id.
88 BBC NEWS, supra note 82.
89 See Id.
90 See Id.
92 Id. at 2.
while Vox Populi is not a cybersquatter, its registry requirements create the same problems Congress strived to prohibit when enacting ACPA.

Despite the fact domain names are moving in the direction of less importance, allowing the expansion of a gTLD, such as .SUCKS, only takes advantage of a trademark owner’s fear of losing control of their mark. For example, looking to well-known companies that have registered .SUCKS domains such as Microsoft, Google, Apple, as well as, celebrities such as Kevin Spacey, and Taylor Swift,\(^\text{93}\) it is clear that these registrations are for defensive purposes only to prevent third parties from registering them first. In fact, Microsoft explicitly acknowledged that they had no intention of ever using the domains they have registered so far under the .SUCKS gTLD.\(^\text{94}\) Evidently, the very approach promulgated by Vox Populi is predicated on the notion that trademark owners will defensively register their marks, especially nationally famous marks, who have the resources to pay such astronomical fees. In doing so, the price of a domain registration under the .SUCKS gTLD is disproportionately inflated, not only for the gTLD market as a whole, but for the very domain name decreasing in value.

C. FIRST AMENDMENT PROTECTIONS FOR THIRD PARTY USERS & LIMITED REMEDIES AVAILABLE FOR TRADEMARK OWNERS

The .SUCKS gTLD presents an especially precarious position for trademark owners if a third party obtains a domain with the same or similar mark based on free speech protections. Not only are there limited remedies for trademark owners, but also precedent exists to suggest that the courts will approach the .SUCKS gTLD as protected speech under the First Amendment.

The current mechanism available to the average trademark owner in a domain name dispute is rather difficult to overcome in a conflict such as a .SUCKS proceeding. The Uniform Domain Name Dispute Resolution Policy (UDRP) is the most cost-effective and widely used mechanism available to trademark owners seeking to protect their mark within the domain name scope.\(^\text{95}\) However, were a trademark owner to bring a cause of action against a third-party through UDRP, it would not be likely to succeed because of UDRP’s high standard.\(^\text{96}\) UDRP’s standard requires the

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\(^\text{94}\) Matt McGee, *Google, Apple, Facebook & Microsoft Among Major Brands Buying .sucks Domains*, MARKETING LAND (Apr. 7, 2015, 8:43 AM), http://marketingland.com/google-apple-facebook-microsoft-among-major-brands-buying-sucks-domains-124248 ("Microsoft has registered a number of domains in order to protect the company’s brands. We have done this in order to ensure that these domains will not be used and we do not have any intentions of ever using these domains.").


third-party registrant’s domain be “identical or confusingly similar to a trademark or service mark in which the complainant has rights; . . . [that the registrant has] no rights or legitimate interests” in the domain at issue and is using the registered domain in bad-faith.\textsuperscript{97} It would be rather difficult for a trademark owner to surmount this standard since a third-party registered a domain under a .SUCKS registration will likely be using the domain for the purpose of criticism and customer complaints regarding that company.\textsuperscript{98} Moreover, even if a company or brand were to succeed in a UDRP proceeding, this would only result in a cancellation or transfer of the domain to the trademark owner and would still allow a third party to register variants of the same mark elsewhere such as googlereally.sucks, googletotally.sucks, or even google-sucks.com.

Additionally, recent court decisions suggest that the new gTLDs such as .SUCKS could be considered protected speech under the First Amendment. In \textit{Name.Space, Inc. v. Network Solutions, Inc.}, the Second Circuit held that Network Solutions, the sole domain registry operator at the time, did not violate the First Amendment when they denied plaintiff Name.Space’s request to add their gTLDs to the root zone file.\textsuperscript{99} The court reasoned that while current gTLDs were not considered protected speech, they “do not preclude the possibility that certain domain names, including new gTLDs, could indeed amount to protected speech.”\textsuperscript{100} Elaborating further, the court predicted future gTLDs could include the uses of communicative expression, such as “‘commentary, parody, news reporting or criticism . . . in order to influence the public’s decision to visit that website, or even to disseminate a particular point of view.’”\textsuperscript{101} The court noted that if another court were to consider this matter, it should be done with a “particularistic, context-sensitive analysis . . . [taking into account factors such as] the domain name itself, the way the domain name is being used, the motivations of the author of the website in question, [and] the contents of the website.”\textsuperscript{102} Under this analysis, the .SUCKS gTLD would likely be within the purview of those expressive uses. Even under a context-sensitive analysis, most .SUCKS cases, would be considered commentary, criticism, or even parody because that is the intended purpose stipulated by Vox Populi.

The expansion of .SUCKS coupled with Vox Populi’s purported goals for the gTLD puts strong pressure on prior case law governing gripe sites.
A majority of federal courts have held that a gripe site does not constitute trademark infringement because the use of the pejorative term “sucks” automatically dispels confusion as to source, sponsorship, or affiliation and is generally not for commercial use. Nevertheless, Vox Populi’s intent behind the implementation of .SUCKS is aimed at corporations for active use of a registered .SUCKS domain. If the .SUCKS gTLD does succeed and companies do begin using their .SUCKS registrations for customer service orientated pages, this use would inevitably obscure the current approach to gripe sites since a .SUCKS gTLD would not automatically dispel confusion as to source, sponsorship, or affiliation of the respective mark in the eyes of the consumer.

As a result, in light of the case law surrounding the new gTLDs and gripe sites, as well as, the remedial mechanisms most accessible to trademark owners for domain name disputes, the new .SUCKS gTLD poses significant obstacles for a trademark owner seeking to protect and enforce his or her mark. Vox Populi’s promulgated purposes for the .SUCKS gTLD further convolute prior case law and the registration tiers available to trademark owners.

IV. RECOMMENDATIONS

Although the law is generally created retrospectively to address issues created by new technologies, ICANN, being the independent organization charged with overseeing domain registration, is best seated to predict the future of legal issues within the Internet. However, it seems that ICANN has brazenly ignored how individuals currently interact with the Internet. In order to best remedy the issues created by the current gTLD expansion, several procedures should be taken.

First, ICANN should not continue to pursue registrations for .BRAND gTLDs. Even in light of the diminished importance of domain names, .BRAND gTLDs create too many issues within the legislative and judicial protections for trademark owners. The cost of resources to adapt to regulating .BRAND gTLDs is too high and would only serve to further harm trademark owners, not protect them. Moreover, restraining brands to already existing gTLDs would continue to protect marks as source identifiers without edging out coexisting marks looking to expand into the global market.

Second, to address general international trademark oversight throughout the Internet, ICANN should expand GAC’s responsibilities beyond a preliminary advisory committee. This would not only serve to mitigate the notion that ICANN favors American trademarks over international ones, it would create a more effective collaboration for international trademark protection in an ever-expanding, globalized...
marketplace.

Third, recognizing the continuous diminishing value of domain names, ICANN should set price caps on the amount registry operators can charge for a gTLD and second-level domain name. This would mitigate predatory pricing for spurious purposes that capitalize on a trademark owner’s fear of losing control of his or her mark. It would require less registry operator oversight in the long term and would be more in line with the current and future value of domain names as source identifiers.

CONCLUSION

ICANN has repeatedly dismissed commissioned third-party opinions recommending a potential gTLD expansion should proceed in a slow and controlled manner and have explicitly done the opposite on more than one occasion. Statistics and public opinion strongly suggest that there is there not a scarcity in domain registrations among the original gTLDs, and that the exponential expansion promulgated over the last ten years from 22 gTLDs to over 1,300 results in largely defensive registrations for concerned trademark owners. Although this could arguably lead to a reduction in cybersquatting based on a lower initial level of interest from companies themselves, it most likely would only result in a reduction in cybersquatting by diluting the gTLD inventory and spreading it out more evenly across the registrations with more valuable marks.

The unloading of thousands of possible gTLDs on the domain market simultaneously dilutes the already low value of domain names in today’s technology-focused environment. Consequently, ICANN’s blatant disregard of advice and bold expansion of the gTLD registry creates a harsh and complicated market for trademark owners looking to stay relevant in the online marketplace while protecting and enforcing their marks. Not only does this approach remove the consumer’s perception from the consideration of trademark protection, it also preys on a trademark owner’s fear of third party infringement and loss of control, thus artificially inflating an otherwise valueless commodity. Therefore, it is up to ICANN to decide whether it wants to continue to ignore how consumer and trademark owners’ interact with domain names or adjust its sails to serve as a collaborative organization, striking a balancing between a free and open Internet with the interests of trademark owners and consumers alike.

104 Both times ICANN commissioned WIPO for reports on the impact of gTLD expansion, WIPO suggested if they do proceed to do so in a “slow and controlled” manner. See WIPO Intellectual Property Considerations, supra note 22, § 3.1.21. Soon after both reports were released, ICANN announced gTLD expansion programs.