

TRADEMARK PROTECTION IN THE NEW INTERNET AGE: TEMPLATE FOR SUCCESSFUL LEGAL RIGHTS OBJECTIONS IN THE GTLD REVOLUTION¹

| | |
|---|-----|
| INTRODUCTION | 960 |
| I.BACKGROUND | 962 |
| A. <i>The Trademark Dilemma</i> | 963 |
| B. <i>WIPO's Involvement in U.S. Trademark Law</i> | 964 |
| C. <i>The LRO Process</i> | 966 |
| II.LEGAL RIGHTS OBJECTION DETERMINATIONS..... | 967 |
| A. <i>Key Legal Rights Objections</i> | 967 |
| B. <i>LRO Panel Opinions</i> | 970 |
| 1. Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound or meaning, to the objector's existing mark..... | 970 |
| 2. Whether the objector's acquisition and use of rights in the mark has been bona fide. | 971 |
| 3. Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the objector, of the applicant or of a third party. | 972 |
| 4. Applicant's intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector's mark, or could not have reasonably been unaware of that mark, and including whether the applicant has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others..... | 974 |
| 5. Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a | |

¹ Permission is hereby granted for noncommercial reproduction of this Note in whole or in part for education or research purposes, including the making of multiple copies for classroom use, subject only to the condition that the name of the author, a complete citation, and this copyright notice and grant of permission be included in all copies.

¹ The Internet Corporation for Assigned Names and Numbers ("ICANN") is a private nonprofit

| | |
|---|-----|
| bona fide offering of goods or services or a bona fide provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights. | 975 |
| 6. Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been bona fide, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use. | 976 |
| 7. Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and bona fide. | 977 |
| 8. Whether the applicant’s intended use of the gTLD would create a likelihood of confusion with the objector’s mark as to the source, sponsorship, affiliation or endorsement of the gTLD. | 977 |
| III. LRO DECISION ANALYSIS. | 979 |
| IV. THE ISSUE TEST. | 982 |
| V. POLICY JUSTIFICATION? | 987 |
| VI. ADDITIONAL gTLD TRADEMARK PROTECTIONS. | 989 |
| CONCLUSION. | 992 |

INTRODUCTION

ICANN’s¹ new generic top-level domain (“gTLD”) system is scheduled to become fully operational in 2014.² This development will revolutionize the Internet, exponentially increasing the number of

¹ The Internet Corporation for Assigned Names and Numbers (“ICANN”) is a private nonprofit corporation, incorporated in California, and committed to the United States Department of Commerce to coordinate the global domain name system. LENNARD G. KRUGER, CONGRESSIONAL RESEARCH SERVICE, INTERNET DOMAIN NAMES: BACKGROUND AND POLICY ISSUES 3 (Dec. 5, 2013) (outlining ICANN’s financial and organizational structure). *See also* Susan P. Crawford, *The ICANN Experiment*, 12 CARDOZO J. INT’L & COMP. L. 409 (describing ICANN’s history, role, and the models of governance frequently used to describe ICANN).

² Elisa Cooper, *ICANN Board Resolutions May Enable New gTLDs to Potentially Launch in Fall*, THE MARK MONITOR BLOG (July 3, 2013, 12:45 PM), <https://www.markmonitor.com/mmblog/icann-board-resolutions-may-enable-new-gtlds-to-potentially-launch-in-fall/>. *See also* *New gTLD Program Timeline*, ICANN NEW GTLDS, <http://newgtlds.icann.org/en/program-status/timelines> (last updated July 18, 2013). A collaborative calendar showing new gTLD launch dates can be accessed by applicants and registries on Calzone.org. *See* Kevin Murphy, *Barrett Launches New gTLD Launch Calendar*, DOMAIN INCITE (Oct. 30, 2013, 5:15 PM), <http://domainincite.com/14899-barrett-launches-new-gtld-launch-calendar>.

2014] TRADEMARKS IN THE NEW INTERNET AGE 961

available gTLDs from the twenty-two that existed up until 2013.³

Domain names are comprised of three general parts, separated by periods: the third-level domain, which appears on the left-hand side of the domain name (the most common being “www”), the second-level domain (“SLD”), which appears in the middle, and the domain name root or string, which follows the SLD.⁴ gTLDs are a category of domain name roots other than country code suffixes that designate the type of entity a website represents (e.g., “.com” for commercial organizations,⁵ or “.edu” for accredited postsecondary institutions).⁶

The announcement of the new gTLD program prompted almost two thousand gTLD applications,⁷ with the potential to elevate the current number of gTLDs by 6,404.5%.⁸ As a result of this drastic development, over two hundred objections to those applications have been filed by entities asserting possession of trademark rights to a given gTLD.⁹

“Why should anyone have the exclusive right to use Fifth Avenue?” Professor Susan Crawford¹⁰ asked, pointing at the street outside the window of her office at Cardozo Law School.¹¹ We were discussing why new gTLDs have proven difficult to restrict under trademark law. She poignantly compared Fifth Avenue to a gTLD: if we

³ See Brandon Marsh, *ICANN't Help Myself: Beneficial Adjustments to the New Generic Top-Level Domain Name Expansion Process*, 95 J. PAT. & TRADEMARK OFF. SOC'Y 195, 197 (2013). See also *Root Zone Database*, INTERNET ASSIGNED NOS. AUTH., <https://www.iana.org/domains/root/db> (last visited Feb. 27, 2014) (listing current gTLDs and other TLDs). gTLDs are managed and coordinated by the Internet Assigned Numbers Authority (“IANA”), under the supervision of ICANN. Brian E. Carpenter, Fred Baker & Michael M. Roberts, *Memorandum of Understanding Concerning the Technical Work of the Internet Assigned Numbers Authority*, INTERNET ENGINEERING TASK FORCE (June 2000), <https://tools.ietf.org/html/rfc2860>.

⁴ See Dennis S. Prahla & Eric Null, *The New Generic Top-Level Domain Program: A New Era of Risk for Trademark Owners and the Internet*, 101 TRADEMARK REP. 1757, 1761 (2011).

⁵ Jessica Litman, *The DNS Wars: Trademarks and the Internet Domain Name System*, 4 J. SMALL & EMERGING BUS. L. 149, 150 (2000).

⁶ *Eligibility for the .edu Domain*, EDUCAUSE, http://net.educause.edu/edudomain/show_fa.asp?code=EDUELIGIBILITY (last visited Feb. 27, 2014).

⁷ See Kevin Murphy, *It's Reveal Day and There are 1,930 New gTLD Bids*, DOMAIN INCITE (June 13, 2012, 6:59 AM), <http://domainincite.com/9382-its-reveal-day-and-there-are-1930-new-gtld-bids>.

⁸ See Marsh, *supra* note 3. The final gTLD addition prior to the launching of the new gTLD system was “.xxx”; it was approved in March 2011 as a venue for adult entertainment. See *id.*; see also Robert D. Richards & Clay Calvert, *Adult Websites and the Top-Level Domain Debate: ICANN's Adoption of .XXX Draws Adult-Industry Ire*, 29 CARDOZO ARTS & ENT. L.J. 527, 528 (2011).

⁹ See *New gTLD Current Application Status*, ICANN NEW GTLDs, <https://gtldresult.icann.org/application-result/applicationstatus/viewstatus> (last visited Feb. 27, 2014).

¹⁰ Susan Crawford is a professor at the Benjamin N. Cardozo School of Law, specializing in technology and telecommunications. See Sam Gustin, *TIME Tech 40: The Most Influential Minds in Tech*, TIME BUSINESS & MONEY (June 17, 2013), <http://business.time.com/2013/05/01/time-tech-40-the-ten-most-influential-tech-ceos/slide/susan-crawford-cardozo-law-school/>.

¹¹ The Benjamin N. Cardozo School of Law is located at 55 Fifth Avenue, New York, NY 10003, USA. See CARDOZO LAW, <http://www.cardozo.yu.edu/> (last visited Feb. 27, 2014).

liken the Internet domain name extension to a roadway, why should anyone be awarded the right to prevent others from using it, forcing them to use alternative routes?

In response to the new gTLD program, ICANN has developed a system of Legal Rights Objections (“LROs”) where parties asserting trademark rights to a particular gTLD can submit their objections to existing gTLD applications.¹² While this attempts to mitigate the conflict between applicants’ freedom to use Internet avenues and the concerns of trademark owners, the balance of LRO determinations has thus far fallen heavily against the latter.¹³ To date, a preponderance of LROs has been denied; in March 2013, only four of sixty-eight filed LROs were granted.¹⁴ If this trend continues, gTLDs will leave a gaping hole in the protection of bona fide trademarks. To protect intellectual property rights on the Internet in the impending gTLD revolution, this Note provides a primer for succeeding in an LRO.

As a guide through the objection process, Part I provides a background of how ICANN came to develop the LRO, and explores the procedure behind it. Part II analyzes four LRO determinations from the perspective of a common framework prescribed by ICANN. Part III consolidates the reasoning behind those decisions to develop a template for filing a successful LRO described in Part IV: the Issue Test. Part V explores the policy behind the high threshold for asserting trademark rights over gTLDs, and considers why this difficulty may be justified. Finally, Part VI provides alternatives to the LRO process for protecting trademarks in the gTLD revolution.

I. BACKGROUND

In general terms, U.S. trademark law, codified in the Lanham Act,¹⁵ does not grant the exclusive use of a word; rather, “[w]hat trademark law gets you is the exclusive right to make trademark use of a word on the products you sell in those markets in which you have actually done business.”¹⁶ This prompts the issue of transferring existing trademark rights onto the Internet.¹⁷ For example, a trademark owner who had not done prior business online cannot claim to have an exclusive right in the Internet space to use an otherwise trademarked

¹² See *Legal Rights Objections Under ICANN’s New gTLD Program*, WORLD INTELL. PROP. ORG., <http://www.wipo.int/amc/en/domains/lro> (last visited Feb. 27, 2014) [hereinafter *Legal Rights Objections*].

¹³ See *id.*

¹⁴ *Id.*

¹⁵ Lanham Act, 15 U.S.C. § 1051 (2012).

¹⁶ Litman, *supra* note 5, at 153.

¹⁷ See generally Justin Hughes, *The Internet and the Persistence of Law*, 44 B.C. L. REV. 359 (2003) (noting that Internet law is a translation of familiar legal concepts, and discussing the stories that have emerged to describe how the Internet and law interact).

2014] TRADEMARKS IN THE NEW INTERNET AGE 963

name. This discrepancy also creates significant issues for the trademark owner because a trademarked name may appear in new, undesirable contexts, such as comparative advertising by competitors and brand criticism.¹⁸

A. *The Trademark Dilemma*

The traditional vision of trademark rights evolved with the growth of Internet commerce.¹⁹ To this end, the year 2014 marks the fifteen-year anniversary of the introduction of the first Congressional legislation protecting Internet-based trademark rights in the United States.²⁰ By design, the Anti-Cybersquatting Consumer Protection Act of 1999 (“ACPA”)²¹ protects trademarks from cybersquatters who preemptively registered domain names in bad faith with the purpose of inducing trademark owners to buy out rights to those domain names.²²

Trademark protection is a global concern, as it cannot be sufficiently addressed within the United States’ borders.²³ The jurisdictional restraints on federal courts constrain the enforcement of federal legislation intended to protect trademarks.²⁴ In addition, in 1999, the newly formed ICANN needed to address “The Trademark Dilemma”—the increasing threat to trademark owners posed by the creation of domain names that incorporated their trademarks.²⁵ Such

¹⁸ See Litman, *supra* note 5, at 154 n.20 (citing JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW: CASES AND MATERIALS 735–71 (1996 & Supp. 1999 at 199–243)).

¹⁹ See generally Final Report of the WIPO Internet Domain Name Process, Management of Internet Names and Addresses: Intellectual Property Issues (Apr. 30, 1999), <http://www.wipo.int/export/sites/www/amc/en/docs/report-final1.pdf> [hereinafter WIPO Final Report].

²⁰ This Internet-specific trademark legislation was created to supplement the Lanham Act. See H.R. REP. NO. 106-412, at 6 (1999) (“Through this committee’s oversight, it has become very aware of the problems faced by owners of famous marks when dealing with the issue of domain names.”). See also Erik Wilbers, *Theme 2.4: What Are the Key Elements of Rights Protection Mechanisms You Would Like to See as Part of the New gTLD Expansion*, WIPO ARBITRATION AND MEDIATION CENTER (Oct. 12, 2009), <http://www.wipo.int/export/sites/www/amc/en/docs/wilbers24.pdf> (discussing desirable legal rights protections for gTLDs at a conference celebrating ten years of the UDRP).

²¹ Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) (2012).

²² See *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936, 946 (9th Cir. 2002) (describing cybersquatting as the “Internet version of an unlawful land grab.”). See also Litman, *supra* note 5, at 152 (illustrating how the owner of acme.com does not own any of the 100-plus trademark registrations over ACME). For a discussion of the purpose of the ACPA, see S. REP. NO. 106-140, at 4 (1999) and H.R. REP. NO. 106-412, at 5 (1999).

²³ The World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property, enacted in 1996, “embedded the core elements of the intellectual property system deep into the global trading system.” Justin Hughes, *Introduction to Thirtieth Anniversary Special Issue Updates and Reflections*, 30 CARDOZO ARTS & ENT. L.J. 1, 3 (2012).

²⁴ See 15 U.S.C. § 1116 (2012) (granting the power of enforcing injunctive relief to protect trademark rights to “the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.”).

²⁵ NAT’L TELECOMMS. & INFO. ADMIN., U.S. DEP’T OF COMMERCE, Docket No. 980212036-8146-02, MANAGEMENT OF INTERNET NAMES AND ADDRESSES, available at <http://www.icann.org/en/about/agreements/white-paper> (last updated July 22, 2000).

domain names misled customers and could not be eliminated without expensive litigation, thereby inhibiting online commerce internationally.²⁶ The dominant tri-partite trademark concerns can thus be summarized as trademark infringement, dilution actions, and trademark cybersquatting in bad faith.²⁷

B. *WIPO's Involvement in U.S. Trademark Law*

The Trademark Dilemma and its international context led ICANN to commission the World Intellectual Property Organization (“WIPO”)²⁸ in 1999 to publish a report making recommendations to remedy the problem.²⁹ WIPO responded with the Uniform Dispute-Resolution Policy (“UDRP”), which took into account the necessity of a speedy dispute resolution system for resolving trademark disputes over domain names in lieu of potentially slow and expensive resolution through litigation.³⁰ Under the UDRP, any website registrant would be brought into the dispute resolution system if: (1) the domain name was misleadingly similar to a trademark;³¹ (2) the registrant did not have rights or legitimate interests in it; and (3) the domain name was registered in bad faith.³²

When WIPO published the report, only seven gTLDs existed, three of which, .com, .net and .org, were open³³ and would be subject to the UDRP.³⁴ The trademark disputes under the UDRP therefore concerned the entire domain name rather than specific gTLDs.³⁵ In addition, the

²⁶ *Id.*

²⁷ See Jacqueline D. Lipton, *Bad Faith in Cyberspace: Grounding Domain Name Theory in Trademark, Property, and Restitution*, 23 HARV. J.L. & TECH. 447 (2010).

²⁸ WIPO is an international organization with a purpose to promote “the protection, dissemination and use of intellectual property throughout the world for economic, cultural and social development.” See WIPO Final Report, *supra* note 19.

²⁹ See *id.* at vii. The Agreement between ICANN and WIPO was solidified in the Memorandum of Understanding Between the Internet Corporation for Assigned Names and Numbers (“ICANN”) and The World Intellectual Property Organization (“WIPO”). See Memorandum of Understanding Between ICANN and WIPO (June 7, 2012), available at <http://www.icann.org/en/about/agreements/partnership-mous/wipo-mou-07jun12-en.pdf> [hereinafter Memorandum of Understanding].

³⁰ See WIPO Final Report, *supra* note 19, at 43–46. Under the UDRP, disputing parties nonetheless preserve the right to litigate their disputes through civil litigation in their respective countries. *Id.* at 46.

³¹ See Trademark Infringement, *Eight Factors for Likelihood of Confusion*, BITLAW, <http://www.bitlaw.com/trademark/infringe.html> (last visited Feb. 27, 2014).

³² See WIPO Final Report, *supra* note 19, at 54. Domain name registration is composed of three entities: the registry, the registrar and the registrant. The registry manages the gTLD, thereby allowing for the registration of SLDs under a broad gTLD. See Juliet M. Moringiello, *Seizing Domain Names to Enforce Judgments: Looking Back to Look to the Future*, 72 U. CIN. L. REV. 95, 99 (2003). The registrar sells SLDs and registers them with the registry. The registrant is the entity that purchases an SLD. See Prahl & Null, *supra* note 4, at 1762–63.

³³ See WIPO Final Report, *supra* note 19, at 2–3.

³⁴ See *id.* at 51–54 (WIPO also makes recommendations therein for defining “bad faith”).

³⁵ *Id.*

2014] TRADEMARKS IN THE NEW INTERNET AGE 965

ACPA and UDRP, developed fifteen years ago, focused on cybersquatting only narrowly.³⁶ These measures failed to contemplate the addition of gTLDs and the trademark issues that would result from their expansion.³⁷

In June 2011, ICANN ushered in a new era for the Internet when its board voted to allow applications for the creation of new gTLDs.³⁸ The application period opened on January 12, 2012, and closed on May 30, 2012,³⁹ generating 1,930 gTLD bids.⁴⁰ The first of these applications to have been granted and gone live is “dotshabaka,”⁴¹ whose sixty-day “Sunrise Period”⁴²—the time period enabling initial domain name registrations under the new gTLD⁴³—ended on December 29, 2013.⁴⁴ This gTLD then became generally available starting on February 4, 2014.⁴⁵ Furthermore, one hundred more new gTLDs finished their Sunrise Periods on April 14, 2014.⁴⁶ Given these changes, the fifteen year-old trademark protection measures no longer suffice.

³⁶ See generally 15 U.S.C. § 1125(d) (2012); see also *Uniform Domain Name Dispute Resolution Policy*, ICANN (Oct. 24, 1999), <http://www.icann.org/en/help/dndr/udrp/policy>.

³⁷ For a discussion of the shortcomings of the ACPA and UDRP to protecting intellectual property, see Lipton, *supra* note 27.

³⁸ At the time that WIPO report was written, only twenty-two gTLDs existed. According to Brad White, the Director of Global Media Affairs for ICANN, the expansion will allow for the use of non-Latin characters, and “afford a possibility for innovation, creativity, branding [and] marketing.” *New Internet Name Rule Opens Door to Huge Changes*, VOICE OF AMERICA (June 19, 2011), <http://www.voanews.com/content/new-internet-name-rule-opens-door-to-huge-changes-124180874/141045.html> (internal quotation marks omitted).

³⁹ Kevin McGillivray, *Anticipating Conflict – An Evaluation of the New gTLD Dispute Resolution System*, 9 SCRIPTED 195, 202 (2012).

⁴⁰ See Meg, *New gTLD Evaluation - The Winners and Losers*, EURODNS BLOG (Sept. 13, 2013), <http://blog.eurodns.com/new-gtld-evaluation-winners-losers/>. The domain names are not cheap, as Donuts raised \$100,000,000.00 to apply for 307 gTLDs. See Lora Kolodny, *Donuts Raises \$100M-Plus To Deliver ‘Dot-Anything-You-Want’ Domain Names*, WALL ST. J. BLOG (June 5, 2012, 11:00 AM), <http://blogs.wsj.com/venturecapital/2012/06/05/donuts-raises-100m-plus-to-deliver-dot-anything-you-want-domain-names/>. For a list of domain names that technology giants like Google applied for, see Michael Berkens, *Google Applies for 101 New gTLD’s; Amazon 77; Microsoft 11; Apple 1*, THE DOMAINS (June 13, 2012), <http://www.thedomains.com/2012/06/13/google-applies-for-101-new-gtlds-amazon-77-microsoft-11-apple-1/>.

⁴¹ Kevin Murphy, *dotShabaka Diary – Day 22, Sunrise Has Gone Live!*, DOMAIN INCITE (Nov. 2, 2013, 10:03 AM), <http://domainincite.com/14929-dotshabaka-diary-day-22-sunrise-has-gone-live/>; Andrew Allemann, *About That dotShabaka New TLD Sunrise . . .*, DOMAIN NAME WIRE (Nov. 6, 2013), <http://domainnamewire.com/2013/11/06/about-that-dotshabaka-new-tld-sunrise/>.

⁴² Prahl & Null, *supra* note 4, at 1780.

⁴³ See Karen Hayne & Ashleigh Fehrenbach, *Australia: New gTLD Delegation and Sunrise Periods – The New Internet World is Here! – Are you Prepared?*, MONDAQ (Dec. 27, 2013), <http://www.mondaq.com/australia/x/283126/Trademark/New+gTLD+delegation+and+sunrise+periods+the+new+internet+world+is+here+are+you+prepared>.

⁴⁴ *Shabaka*, NETNAMES (Oct. 31, 2013), <http://www.gtld.com/UserFiles/shabaka-external.pdf>.

⁴⁵ See *id.*

⁴⁶ The live database of gTLDs that have entered the Sunrise Period is currently available online, see *Sunrise Dates*, TRADEMARK CLEARINGHOUSE, <http://www.trademark-clearinghouse.com/sunrise> (last visited Apr. 1, 2014).

C. *The LRO Process*

The high number of new gTLD bids will inevitably elicit applications⁴⁷ that infringe on existing trademarks, exponentially magnifying the tri-partite trademark concerns of rights owners mentioned above: trademark infringement, dilution actions, and bad faith trademark cybersquatting. In an effort to preempt this issue, ICANN has developed a mechanism allowing trademark owners to assert their rights internationally through WIPO.⁴⁸ ICANN, with WIPO, intends to protect trademark owners' bona fide rights under the new gTLD domain name program by allowing trademark owners to object to gTLD applications through the LRO system.⁴⁹ It should be noted that the LRO cannot provide monetary damages; the rejection of a new gTLD application is the only available remedy for a successful objection.⁵⁰

After an entity overcomes the financial and administrative aspects of the gTLD application process, the LRO procedure mandates a waiting period in which the alleged trademark owner can come forth and claim ownership of a trademark under that gTLD.⁵¹ Of the 1,930 new gTLD applications that have been filed, seventy-one were objected, and sixty-eight were compliant enough to pass initial evaluation.⁵² The review of an application follows the New gTLD Objection and Dispute Resolution Procedure outlined in Module 3 of the Applicant Guidebook.⁵³ The module explains who can file an objection,⁵⁴ on what grounds,⁵⁵ and provides the submission requirements.⁵⁶ The Applicant Guidebook also assigns the term "objector" to refer to the party that files an LRO to object a gTLD application, and the term "respondent" to refer to the party that filed the corresponding gTLD application.⁵⁷

⁴⁷ A flow chart of the new gTLD application process is accessible online. See *Draft – New gTLD Program – Evaluation Process*, WIPO, <http://www.wipo.int/export/sites/www/amc/en/docs/icannevaluationprocess.pdf> (last visited Apr. 1, 2014).

⁴⁸ This mechanism is meant to build on the dispute resolution system of the UDRP. See Prah & Null, *supra* note 4, at 1767.

⁴⁹ See *Legal Rights Objections*, *supra* note 12.

⁵⁰ See *Frequently Asked Questions*, WIPO, <http://www.wipo.int/amc/en/domains/lro/faq/#16a> (last visited Apr. 24, 2014). Regardless of the panel's decision, the objector and applicant may dispute their trademark rights in a court of law.

⁵¹ See *id.*

⁵² See *New gTLD Current Application Status*, *supra* note 9.

⁵³ See generally Module 3: Objection Procedures, gTLD Applicant Guidebook, ICANN (Sept. 19, 2011), available at <http://www.icann.org/en/topics/new-gtlds/rfp-clean-19sep11-en.pdf> [hereinafter gTLD Applicant Guidebook]. A flow chart of the objection process stages and related timeline is available online. See *DRAFT – New gTLD Program – Objection and Dispute Resolution*, WIPO, <http://www.wipo.int/export/sites/www/amc/en/docs/icannobjectionflowchart.pdf> (last visited Apr. 1, 2014); and *New gTLD Program Timeline*, *supra* note 2.

⁵⁴ See gTLD Applicant Guidebook, *supra* note 53, at 3-4 to -5.

⁵⁵ See *id.* at 3-4.

⁵⁶ See *id.* at 3-11 to -14.

⁵⁷ See *id.* at P-2.

2014] TRADEMARKS IN THE NEW INTERNET AGE 967

Under the procedure, WIPO reviews the objection pursuant to Article 9, and determines whether it complied with the procedure requirements.⁵⁸ If it did, WIPO notifies the respondent that an objection has been made in accordance with Article 11(a), and the LRO proceedings can begin.⁵⁹ WIPO then appoints the panel,⁶⁰ which must certify its neutrality under Article 13(c).⁶¹ The panel allows the parties to file briefs in support of their positions, and subsequently issues an opinion pursuant to Article 21.⁶²

II. LEGAL RIGHTS OBJECTION DETERMINATIONS

Referring back to Professor Crawford's Fifth Avenue metaphor, it is difficult to justify awarding a single party with the exclusive right to use an avenue. However, it is not impossible. If an entity owns every building located on that road, for example, then exclusive use may not seem so unreasonable.

The LRO process purports to consider both sides of the argument, but early panel decisions have shown that WIPO has a penchant for rejecting LROs.⁶³ In fact, of the objections that were filed by March 13, 2013, fifty-nine were rejected, four were upheld, five were terminated, and one applicant came into default.⁶⁴ It is important to note that all of the objections were filed in March 2013, as this has been the only objection period that WIPO has allowed thus far.⁶⁵ Objectors possibly chose to terminate the abandoned objections because the prospects that they would be upheld appeared grim.

A. Key Legal Rights Objections

The panel determinations of the March 2013 objections were issued in July 2013. Four of them are explored in detail below because they provide important⁶⁶ insight into panel reasoning. These LROs concerned the trademark rights of U.S.-based businesses that objected to

⁵⁸ See *id.* at P-5.

⁵⁹ See *id.* at P-6.

⁶⁰ The objector can elect to have the LRO heard by a one-person panel or by the more expensive three-person panel. See *Schedule of Fees and Costs: New gTLD Legal Rights Objection Procedure*, WIPO, <http://www.wipo.int/amc/en/domains/lro/fees/> (last visited Feb. 27, 2014).

⁶¹ See gTLD Applicant Guidebook, *supra* note 53, at P-8.

⁶² See *id.* at P-10.

⁶³ Kevin Murphy, *LRO Roundup: Six More New gTLD Objections Rejected*, DOMAIN INCITE (July 23, 2013, 9:30 AM), <http://domainincite.com/13818-lro-roundup-six-more-new-gtld-objections-rejected>.

⁶⁴ See *Legal Rights Objections*, *supra* note 12. To facilitate the tracking of gTLD objections, ICANN created its own micro-website, see *Objection and Dispute Resolution*, ICANN NEW GTLDS, <http://newgtlds.icann.org/en/program-status/odr> (last visited Apr. 1, 2014).

⁶⁵ See *Legal Rights Objections*, *supra* note 12.

⁶⁶ Following a review of all LRO panel determinations, importance was assigned subjectively based on the clarity and significance of panel reasoning.

applications for gTLDs incorporating their company names.

Express, LLC v. Sea Sunset, LLC considered an application for the gTLD “.express” made by Sea Sunset, LLC (“Sea Sunset”),⁶⁷ a subsidiary of domain name registry Donuts⁶⁸ that launched specifically in response to the new gTLD program.⁶⁹ Founded in 2011, Donuts invested more than \$55 million to apply for over 300 new gTLDs to “provide Internet users with opportunities for online identities and expression that do not currently exist.”⁷⁰ The LRO-filing party, Express, LLC (“Express”), is a fashion brand that targets men and women in their twenties, with gross revenues in 2012 reaching \$2.15 billion.⁷¹ It claimed ownership of trademark registrations for “EXPRESS” in the United States and other countries where Sea Sunset did not own the trademark.⁷² Express had also applied for the “.express” gTLD, and feared a likelihood of customer confusion based on the *DuPont* test.⁷³ More specifically, confusion could arise if other companies registered domain names under the new gTLD that competed with its fashion brand name, such as “clothing.express.”⁷⁴ Despite this likelihood, Express’s LRO was unsuccessful.⁷⁵

In *Right At Home v. Johnson Shareholdings, Inc.*, Johnson

⁶⁷ *Express, LLC v. Sea Sunset, LLC*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination (July 9, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0022.pdf>.

⁶⁸ *See id.* at 4.

⁶⁹ Julianne Pepitone, ‘Donuts’ Startup Lands \$100 Million for Dot-Brand Domains, CNNMONEY (June 5, 2012, 12:58 PM), http://money.cnn.com/2012/06/05/technology/donuts-domains-funding/index.htm?source=cnn_bin (quoting Daniel Schindler, one of the four Donuts co-founders).

⁷⁰ *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 4 (internal quotation marks omitted). *See also List of New gTLDs Donuts Applied For*, DOMAINTYPER, <http://domaintyper.com/new-gTLD/applicant/Donuts> (last visited Feb. 27, 2014); *see also Donuts and TLDs*, DONUTS, <http://www.donuts.co/tlds/> (last visited Feb. 27, 2014) (providing an up-to-date launch schedule of forthcoming Donuts gTLDs as they become live); Andrew Allemann, *A Tasty Conversation with Donuts, Which Just Applied for 307 TLDs*, DOMAIN NAME WIRE (June 5, 2012), <http://domainnamewire.com/2012/06/05/a-tasty-conversation-with-donuts-which-just-applied-for-307-tlds/> (“The [Donuts] name evokes choice, which is what this program is all about.”) (internal quotation marks omitted).

⁷¹ *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 19.

⁷² *See id.* at 15.

⁷³ *See id.* at 9–11. The *DuPont* test for likelihood of confusion involves a consideration of thirteen factors: “(1) appearance, sound, connotation and commercial impression; (2) the goods or services; (3) the trade channels used; (4) circumstances of the sales; (5) fame of the prior mark; (6) similar marks in use; (7) actual confusion; (8) concurrent use of the competing marks; (9) variety of goods; (10) market interface; (11) right to exclude others; (12) potential confusion; (13) any other fact.” *Right At Home v. Johnson Shareholdings, Inc.*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 6 (July 3, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0030.pdf> (citing *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973)).

⁷⁴ *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 9.

⁷⁵ *See id.* at 23.

2014] TRADEMARKS IN THE NEW INTERNET AGE 969

Shareholdings, Inc. (“Johnson Shareholdings”), a subsidiary of household goods manufacturer S.C. Johnson & Son, Inc. (“SC Johnson”), had applied for the “.rightathome” gTLD.⁷⁶ SC Johnson had previously used the “RIGHT@HOME” mark to provide information about housekeeping in connection with selling its products.⁷⁷ Right At Home, an international provider of home-based healthcare services that operates “rightathome.net”, filed an LRO.⁷⁸ Right At Home had never before objected to SC Johnson’s use of the mark in any other context, and its LRO failed.⁷⁹

The panel finally upheld an LRO in *The DirecTV Group Inc. v. Dish DBS Corporation*.⁸⁰ The DirecTV Group Inc. (“DirecTV”), a mainstream provider of entertainment services via satellite, uses trademarked terms incorporating “direct” to market and distinguish its products for twenty million U.S.-based customers, and fifteen million customers internationally.⁸¹ Dish DBS Corporation (“Dish”) applied for the “.direct” gTLD, and DirecTV objected.⁸² Dish is a subsidiary of the Dish Network, which provides directly competing services to fourteen million customers in the United States, and had never before used the term “direct” to market its products.⁸³ The panel determined that the “.direct” gTLD application infringed on DirecTV’s trademark because it would create customer confusion in bad faith.⁸⁴

On the same day, the panel also upheld an LRO over “.delmonte” in *Del Monte Corporation v. Del Monte International GmbH*.⁸⁵ Del Monte Corporation (“Del Monte Corp.”), an international manufacturer and distributor of food products operating since 1891, filed an LRO.⁸⁶ Del Monte Corp. registered its U.S. trademark in 1969, and registered other international trademarks in the 1950s and 1960s, including registrations in Monaco in 1961 and Switzerland in 1976.⁸⁷ Del Monte International GmbH (“Del Monte Int’l”) is a licensee of Del Monte

⁷⁶ See *Right At Home*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 1.

⁷⁷ See *id.* at 2.

⁷⁸ See *id.*

⁷⁹ *Id.* at 2, 7.

⁸⁰ See *The DirecTV Grp. Inc. v. Dish DBS Corp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 8 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0005.pdf>.

⁸¹ DirecTV’s trademarked terms registered with the U.S. Patent and Trademark Office include DIRECTV, DIRECTV AIRBORNE, WORLDDIRECT, DIRECTVIEW, PINOYDIRECT, HINDIDIRECT, and MANDARINDIRECT. *Id.* at 2.

⁸² See *id.* at 1.

⁸³ See *id.* at 3.

⁸⁴ See *id.* at 5.

⁸⁵ See *Del Monte Corp. v. Del Monte Int’l GmbH*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 11 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0001.pdf>.

⁸⁶ See *id.* at 2.

⁸⁷ See *id.* at 2–3.

970 CARDOZO ARTS & ENTERTAINMENT [Vol. 32:959]

Corp.'s business name in limited geographical areas and product lines, incorporated in Switzerland, with its principal place of business in Monaco.⁸⁸ Del Monte Int'l applied for the ".delmonte" gTLD without Del Monte Corp.'s permission, and intended to exclude Del Monte Corp. and other international Del Monte licensees from the gTLD string.⁸⁹ The panel concluded that Del Monte Int'l had acted in bad faith, and upheld Del Monte Corp.'s LRO.⁹⁰

B. LRO Panel Opinions

Although many new gTLD applications will inevitably adopt words that function as trademarks, the above objections illustrate that this consideration by itself does not give rise to automatic trademark infringement.⁹¹ In order to referee disputes, ICANN has chosen to place "assessments of disputes between owners of trademarks making use of common dictionary or generic terms and new gTLD applicants asserting legitimate interests in use of those terms in the hands of panels"⁹² As a result, the panels analyzed the four LROs using the following eight non-exclusive factors ("Factors") prescribed by WIPO⁹³ to determine whether, on balance, the objections should be upheld or denied⁹⁴:

1. Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound or meaning, to the objector's existing mark.

In the ".delmonte," ".express" and ".rightathome" determinations, the panels found that the applied-for gTLDs and existing marks were identical, thus holding in favor of the objectors on Factor 1.⁹⁵ Although

⁸⁸ See *id.* at 2–3.

⁸⁹ See *id.*

⁹⁰ See *id.* at 10–11.

⁹¹ Express, LLC v. Sea Sunset, LLC, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 16 (July 9, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0022.pdf>.

It should be noted that trademarks are registered in each country, and the Internet is worldwide; thus, a trademark registered in a particular location theoretically should not give rise to a global exclusive right to use certain words. See Christine Haight-Farley, *Convergence and Incongruence: Trademark Law and ICANN's Introduction of New Generic Top-Level Domains*, 25 J. MARSHALL J. COMPUTER & INFO. L. 625, 631 (2009) ("Trademark law is territorial in nature, therefore legal standards reflect the consumer perspectives of the particular state To extend this legal standard to domain names it is necessary to consider a substantial composite of the general public of the entire world, not just the United States. This is obviously an unworkable standard.").

⁹² Express, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 16.

⁹³ See *Frequently Asked Questions*, *supra* note 50.

⁹⁴ See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 6.

⁹⁵ See *id.*; see also Express, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 17–18; Right At Home v. Johnson Shareholdings, Inc., Case No.

2014] TRADEMARKS IN THE NEW INTERNET AGE 971

this Factor was not outcome-determinative, it hinges on the likelihood of confusion test and provides important insight.⁹⁶ In the “.express” determination, for example, the panel examined the dictionary meaning of the common term “express,” and found that many businesses other than Express identify their products or services with one or more of its many definitions.⁹⁷ This includes brands that sell a rapid service, or companies whose name incorporates the word “express,” such as American Express.⁹⁸ The panel concluded that, although the “EXPRESS” trademark and Sea Sunset’s gTLD application are “identical in appearance and sound . . . [they] are not necessarily identical or similar in meaning.”⁹⁹

With regard to “.direct,” the applied-for gTLD was actually different from any of DirecTV’s registered trademarks. All of DirecTV’s trademarked terms had other words added to them, and, “by itself, ‘DIRECT’ is simply a generic term.”¹⁰⁰ The panel, however, concluded “that the [s]tring is similar to the DIRECTV mark inasmuch as it differs by only one letter, and is similar to the other DIRECT-formative marks of Objector the [s]tring and the marks are similar. It bears noting that *confusing* similarity is not required under this factor.”¹⁰¹ In other words, the gTLD must be sufficiently similar to the trademarked term, but need not be analyzed under a confusingly similar analysis; so long as it closely represents the term and is highly similar, the panel can find similarity for the purposes of Factor 1.

2. Whether the objector’s acquisition and use of rights in the mark has been bona fide.

In *Express, LLC v. Sea Sunset, LLC*, the panel employed the term “bona fide” to describe the “provision of services in a manner that does not interfere with the legitimate exercise by [the objector] of its trademark rights.”¹⁰² The objectors’ acquisition and use of trademark rights in each of the previously mentioned LROs had been bona fide.¹⁰³

LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 4 (July 3, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0030.pdf>.

⁹⁶ See *Right At Home*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination at 6.

⁹⁷ See *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 6.

⁹⁸ See *id.*

⁹⁹ *Id.* at 18.

¹⁰⁰ The DirecTV Grp. Inc. v. Dish DBS Corp., Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 5 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0005.pdf> (citing the respondent’s response document defending against the LRO).

¹⁰¹ *Id.* at 5–6.

¹⁰² See *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 22.

¹⁰³ See *Del Monte Corp. v. Del Monte Int’l GmbH*, Case No. LRO2013-0001, WIPO Arbitration

Given that two of the LROs were ultimately rejected and two were accepted, this Factor was not conclusive to the panels' determinations.

3. Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the objector, of the applicant or of a third party.

The panels interpreted this question as asking whether the objector had sufficiently greater brand recognition than the respondent or a third party.¹⁰⁴ For example, with regard to the “.rightathome” gTLD, Right At Home, Johnson Shareholdings and third parties not involved in the LRO all used the “RIGHT@HOME” mark in a relevant sector of the public.¹⁰⁵ As such, Right At Home failed to establish sufficient brand recognition.¹⁰⁶

The “.express” panel delved more deeply into this analysis in response to Express's citation of numerous figures to illustrate its brand recognition.¹⁰⁷ Express claimed to sell its products at retail stores and online, principally at “express.com,” with 60% of its sales being made online in 2010.¹⁰⁸ In 2012, Express also ranked fifty-ninth on Women's Wear Daily's Most Recognized Consumer Brands list.¹⁰⁹ The panel, however, did not see these figures as strong enough to establish brand recognition.¹¹⁰

Express had failed to illustrate how the gross sales revenues compared to other businesses with an online presence, or demonstrate that Express made a significant percentage of its sales outside of the United States to show the global importance of the trademark.¹¹¹

and Mediation Center Expert Determination, at 6 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0001.pdf>; *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 18; *Right At Home v. Johnson Shareholdings, Inc.*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 4 (July 3, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0030.pdf>; *DirecTV Grp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 6.

¹⁰⁴ See *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 18–20.

¹⁰⁵ See *Right At Home*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 4.

¹⁰⁶ *Id.* at 4.

¹⁰⁷ See *id.* at 18–20.

¹⁰⁸ See *id.* at 19. This percentage may be even higher today, particularly given the “showroom effect,” i.e., buyers' increasing tendency to examine the merchandise in physical stores, but actually making their purchases online. David Aaker, *The Retail Revolution is Here*, PROPHET (June 24, 2013), <http://www.prophet.com/blog/aakeronbrands/150-the-retail-revolution-is-here>. See also *The Emporium Strikes Back*, THE ECONOMIST (July 13, 2013), <http://www.economist.com/news/briefing/21581755-retailers-rich-world-are-suffering-people-buy-more-things-online-they-are-finding>.

¹⁰⁹ See *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 19.

¹¹⁰ See *id.* at 20.

¹¹¹ See *id.* The panel noted that this information could have been helpful to the objector's case.

2014] TRADEMARKS IN THE NEW INTERNET AGE 973

Additionally, the Women's Wear Daily ranking is not necessarily relevant, as "[b]eing ranked 59th among an industry group may have quite different significance depending on the industry or the target consumer group."¹¹² The Express target consumer group was also very narrow, and survey evidence did not indicate that even these consumers associated the word "express" with the Express brand.¹¹³ In other words, the term "express" does not generally bring to mind the "EXPRESS" trademark.¹¹⁴

Conclusively, the panel framed the answer to Factor 3 as follows: "[Express's] target consumers may appreciate that [Express's] apparel and fashion accessories carry the EXPRESS brand or label, but when they see or hear the word 'express' do they think 'clothing'? Or, do they think, 'fast'?"¹¹⁵

The panel analyzed Factor 3 differently in the ".direct" LRO.¹¹⁶ Here, the gTLD was not exactly the same as the existing trademarked term and brand name.¹¹⁷ In addition, Dish's research indicated that less than six percent of the surveyed group would attribute the ".direct" gTLD as representing DirecTV.¹¹⁸ The panel, however, questioned the reliability of this survey and dismissed its findings as inconclusive.¹¹⁹ It also refused to entertain Dish's argument that some members of the public associate ".direct" with Dish.¹²⁰ The panel concluded that DirecTV's name was sufficiently recognized by customers to warrant protection.¹²¹

The ".delmonte" LRO produced a similar result. Del Monte Corp. began operating commercially under its name in 1891, and did not license that name until 1989.¹²² Recognized as a significant producer and distributor of food products in the United States, Del Monte Corp. concluded 2012 with \$3.7 billion in net sales, and eight out of ten U.S. homes owning Del Monte Corp. products.¹²³ The panel concluded that, "[b]y virtue of such long-standing and widespread use, the Trade Mark

See id. at 19.

¹¹² *Id.* at 19.

¹¹³ *See id.*

¹¹⁴ *See id.* at 20.

¹¹⁵ *Id.*

¹¹⁶ *See generally* The DirecTV Grp. Inc. v. Dish DBS Corp., Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0005.pdf>.

¹¹⁷ *See id.* at 6.

¹¹⁸ *See id.*

¹¹⁹ *See id.*

¹²⁰ *See id.*

¹²¹ *See id.* at 7.

¹²² *See* Del Monte Corp. v. Del Monte Int'l GmbH, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 3 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0001.pdf>.

¹²³ *See id.* at 2.

974 CARDOZO ARTS & ENTERTAINMENT [Vol. 32:959]

is a well-known trade mark worldwide,” thus satisfying the sufficiency of brand recognition threshold.¹²⁴ In addition, the license agreement between Del Monte Corp. and Del Monte Int’l “indicates the trade source of [Del Monte Corp.],” and there is no evidence that third parties other than Del Monte Corp. and its licensees hold the trademark.¹²⁵ The panel therefore accepted evidence of Del Monte Corp.’s brand recognition to reject the “.delmonte” gTLD where Del Monte Int’l also sold its products under the “DEL MONTE” mark.

4. Applicant’s intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector’s mark, or could not have reasonably been unaware of that mark, and including whether the applicant has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.

With regard to “.direct,” the panel concluded that Dish was aware of its main competitor’s “DIRECTV and other DIRECT-formative marks.”¹²⁶ Such evidence supported the LRO by illustrating that Dish had acted in bad faith. Similarly, licensee Del Monte Int’l undoubtedly knew of its licensor Del Monte Corp.’s trademark, and nonetheless planned to exclude the licensor from using the gTLD.¹²⁷

At a minimum, the respondents in the “.express” and “.rightathome” LROs should have known that “EXPRESS” and “RIGHT@HOME” were trademarked names. However, there was insufficient evidence to conclude that they purposely applied for certain gTLDs to take advantage of trademarks in bad faith.¹²⁸ The panel held against Express even though Sea Sunset had applied for over 300 other gTLDs, including Coach and The Limited, which similarly “serve dual roles as generic terms and trademarks in the fashion industry.”¹²⁹

¹²⁴ *Id.* at 3.

¹²⁵ *Id.* at 7.

¹²⁶ See *DirectTV Grp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 7.

¹²⁷ See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 7.

¹²⁸ See *Express, LLC v. Sea Sunset, LLC*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 21 (July 9, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0022.pdf>; see also *Right At Home v. Johnson Shareholdings, Inc.*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 5 (July 3, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0030.pdf>.

¹²⁹ *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 21.

2014] TRADEMARKS IN THE NEW INTERNET AGE 975

5. Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a bona fide offering of goods or services or a bona fide provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights.

The panels for “.direct” and “.delmonte” concluded that the respondents’ efforts to claim the gTLD were made in bad faith.¹³⁰ In the “.direct” determination, “[Dish had] applied for the [s]tring as part of an ongoing battle for market share, at [DirecTV]’s expense . . . [Dish]’s likely intention was to target the trademark of a direct competitor,” even if the gTLD was a dictionary term.¹³¹ Del Monte Int’l likewise planned to utilize the trademark in bad faith, as the gTLD was not subject to the license agreement it held with its licensor, Del Monte Corp.¹³²

In contrast, the panel for “.rightathome” echoed its considerations in Factor 4 above, marking Right At Home’s “professed fears [as] largely speculative.”¹³³ Prior to the LRO, Right At Home had never protested Johnson Shareholdings’ or its parent company SC Johnson’s use of the “RIGHT@HOME” mark to identify many of its goods by the nature of their use in the home.¹³⁴

The panel in *Express, LLC v. Sea Sunset, LLC* provided the most in-depth analysis of this factor.¹³⁵ Sea Sunset had made plans for the new “.express” gTLD to act as a convenient location for businesses that wished to associate themselves with the gTLD “for economic growth, increased productivity, the exchange of ideas and information and greater self-expression.”¹³⁶ Sea Sunset viewed its numerous domain name applications, including “.express,” as “‘footwork’ in connection with operating the registry,”¹³⁷ and created protections for user safety in addition to those developed by ICANN for the new gTLD program.¹³⁸

¹³⁰ See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 8; see also *DirecTV Grp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 7.

¹³¹ See *DirecTV Grp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 7 (distinguishing the findings regarding dictionary terms in *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination).

¹³² *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 5.

¹³³ *Right At Home*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 5.

¹³⁴ See *id.* at 2.

¹³⁵ See generally *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination.

¹³⁶ *Id.* at 5.

¹³⁷ *Id.* at 21.

¹³⁸ See *id.* at 4–5 (citing Respondent’s Application at paragraph 18(a)). The eight protections created by Donuts are:

Periodic audit of Whois data for accuracy;

976 CARDOZO ARTS & ENTERTAINMENT [Vol. 32:959]

Express argued that the “.express” gTLD would create customer confusion and interfere with its trademark rights.¹³⁹

The panel focused on whether Sea Sunset’s service would interfere with existing trademark rights of Express.¹⁴⁰ In favor of Sea Sunset, the panel noted that “[Express’s] rights to prevent third-party use are generally limited to the classes of goods and services for which it has established trademark rights.”¹⁴¹ While the “EXPRESS” trademark adopted a common dictionary term, this did not give Express exclusive rights over the word in the English language.¹⁴² Additionally, Sea Sunset’s preparations to launch the gTLD—which included organizing investors and enacting protections—illustrated that the “.express” gTLD application was made in good faith and was not intended to interfere with the “EXPRESS” trademark.¹⁴³ The panel held that the capacity to operate a gTLD was not a consideration in the LRO process because the panel is not in a position to make such a technical assessment.¹⁴⁴

6. Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been bona fide, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use.

Following the above analysis, the companies that applied for “.express,” “.direct,” and “.delmonte” did not hold trademark rights in their strings.¹⁴⁵ Therefore, applicant-licensee Del Monte Int’l did not

Remediation of inaccurate Whois data, including takedown, if warranted;
A new Domain Protected Marks List (DPML) product for trademark protection;
A new Claims Plus product for trademark protection;
Terms of use that prohibit illegal or abusive activity;
Limitations on domain proxy and privacy service;
Published policies and procedures that define abusive activity; and
Proper resourcing for all of the functions above.

Id. at 4. In addition, WIPO has established its own protection mechanisms to protect trademark holders. See *Rights Protection Mechanisms for New Top-Level Domains (TLDs)*, WIPO, <http://www.wipo.int/amc/en/domains/rpm/> (last visited Jan. 26, 2014).

¹³⁹ See *Express, LLC v. Sea Sunset, LLC*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 5 (July 9, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0022.pdf>.

¹⁴⁰ *Id.* at 22.

¹⁴¹ *Id.*

¹⁴² See *id.*

¹⁴³ See *id.* at 21.

¹⁴⁴ See *id.* at 22.

¹⁴⁵ See *id.* at 22; see also *The DirecTV Grp. Inc. v. Dish DBS Corp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 7 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0005.pdf>; *Del Monte Corp. v. Del Monte Int’l GmbH*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 6 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0001.pdf>.

2014] TRADEMARKS IN THE NEW INTERNET AGE 977

have trademark rights in “DEL MONTE,” even though licensor Del Monte Corp. did.¹⁴⁶ However, the “.rightathome” panel determined that applicant Johnson Shareholdings did hold trademark rights in “RIGHT@HOME,” regardless of whether it was Johnson Shareholdings or its parent company SC Johnson who was licensed to use the mark.¹⁴⁷ As such, it appears that the panels view the license rights of a subsidiary and an outside company differently.

7. Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and bona fide.

The respective panels noted that the respondents had not been commonly known by names associated with the “.express,” “.rightathome,” and “.direct” strings.¹⁴⁸ Regarding “.delmonte,” although Del Monte Int’l had been known by “DEL MONTE,” the panel weighed this factor in favor of the objector because the respondent was a mere licensee of the mark.¹⁴⁹

8. Whether the applicant’s intended use of the gTLD would create a likelihood of confusion with the objector’s mark as to the source, sponsorship, affiliation or endorsement of the gTLD.

All four panels determined that the applied-for gTLD could create a likelihood of confusion with an existing trademark.¹⁵⁰ LRO determinations therefore could not be made on the basis of Factor 8 alone. Instead, the panels considered whether the likelihood of confusion was permissible, or unfairly intruded on the objector’s mark, based on the respondent’s intentions for the use of the gTLD consistent with Factor 5, above.¹⁵¹ The general presumption exists that “registries operating in a *bona fide* manner are not held legally responsible for

¹⁴⁶ See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 13.

¹⁴⁷ See *Right At Home v. Johnson Shareholdings, Inc.*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 6 (July 3, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0030.pdf>.

¹⁴⁸ See *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 23; *Right At Home*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 6; *DirectTV Grp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 8.

¹⁴⁹ See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 6.

¹⁵⁰ See *id.* at 9; see also *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 23; *Right At Home*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 6; *DirectTV Grp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 8.

¹⁵¹ See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 9.

allowing domain names to be registered that create a likelihood of confusion with respect to existing trademarks.”¹⁵²

In the case of “.express,” the panel noted that adding clothing-related words in front of the gTLD to yield domain names such as “jeans.express” may create customer confusion.¹⁵³ However, Express will be able to protect its brand in other ways—such as purchasing the threatening domain names to block others from using them—in the same way that it had purchased competing domain names in the past.¹⁵⁴ In total, Express had registered more than 150 domain names that incorporate the term “express” on existing gTLDs, including SLDs such as “expressfashion” with gTLD endings such as “.com,” “.co.uk,” and “.fr.”¹⁵⁵

The “.rightathome” panel supported this view. Customer confusion can already arise under the present domain name system, where websites such as “rightathome.com” and “rightathome.biz” lead to Johnson Shareholdings and third parties, respectively.¹⁵⁶ The addition of a “.rightathome” gTLD would not make Johnson Shareholdings’ or third parties’ use of the “RIGHT@HOME” mark significantly more confusing for customers than it already is.

Where the gTLD application is not bona fide, however, and the respondent silently seeks to profit from the gTLD at the expense of the objector, the general rule does not apply.¹⁵⁷ Such a pretextual motive was evident in the “.direct” and “.delmonte” applications.¹⁵⁸ In both of these cases, the false impression of endorsement constituted “untoward behavior”; this created “an *impermissible* likelihood of confusion,” and served as the basis for their rejection.¹⁵⁹ Given that companies operate

¹⁵² *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 23.

¹⁵³ *Id.* at 7, 23.

¹⁵⁴ *Id.* at 3. See also Charlie Abrahams, *10 Ways to Protect Your Brand Online in 2014*, FOURTH SOURCE (Jan. 28, 2014), <http://www.fourthsource.com/general/10-ways-protect-brand-online-2014-16523>.

¹⁵⁵ *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 3.

¹⁵⁶ *Right At Home v. Johnson Shareholdings, Inc.*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 2 (July 3, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0030.pdf>. The panel also noted that the *DuPont* likelihood of confusion factors are not necessary considerations in an LRO, although they may overlap the WIPO Factors. See *id.* at 6.

¹⁵⁷ See generally *The DirecTV Grp. Inc. v. Dish DBS Corp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0005.pdf>; see also *Del Monte Corp. v. Del Monte Int'l GmbH*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0001.pdf>.

¹⁵⁸ See *DirecTV Grp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 7; see also *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 10.

¹⁵⁹ See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center

in different geographical areas, an application's filing location may be important in the likelihood of confusion analysis to determine if the gTLD was filed precisely for the purpose of creating confusion as to the source of the applied-for gTLD and gaining competitive advantage.

III. LRO DECISION ANALYSIS

Module 3.5.2 of the ICANN Applicant Guidebook states that a Legal Right Objection succeeds only where it is shown that the gTLD (a) "take[s] unfair advantage of the distinctive character or the reputation of Objector's registered or unregistered trademark or service mark"; (b) "unjustifiably impairs the distinctive character or the reputation of Objector's mark"; or (c) creates an "impermissible likelihood of confusion between the applied-for gTLD and Objector's mark."¹⁶⁰ Interpreting this requirement, the panel in *Right At Home v. Johnson Shareholdings, Inc.* noted, "there must be something more than mere advantage gained, or mere impairment, or mere likelihood of confusion for an Objection to succeed."¹⁶¹ The LRO determinations reflect this reasoning.

The panels have approached their determinations within the framework of the Factors, which appear to be weighed according to the circumstances of each case.¹⁶² Although every panel references the eight factors as non-exclusive, each of the eight is always analyzed, and no other factors are added to the analysis. It seems, then, that while WIPO leaves room for the possibility that an additional factor may arise, the eight non-exclusive factors are sufficient. Moreover, the below analysis illustrates that many of the Factors may be superfluous in a given LRO.

The following table summarizes the above-discussed LRO determinations with respect to each Factor; specifically, the "Issue" summarizes the key question asked in the Factor. The panel's determination as to the Issue is different from, and does not necessarily correspond to, the balance of considerations contributing to the determination of the entire Factor.

Expert Determination, at 10 (emphasis added).

¹⁶⁰ *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 24 (applying the instructions for the panel provided in Module 3.5.2 of the gTLD Applicant Guidebook).

¹⁶¹ *Right At Home*, Case No. LRO2013-0030, WIPO Arbitration and Mediation Center Expert Determination, at 3.

¹⁶² *See id.*

| Factor # | Issue Summary | .express | .rightathome | .direct | .delmonte |
|----------|---|-----------|--------------|-----------|----------------------|
| 1 | Level of similarity between gTLD and objector's mark | Identical | Identical | Identical | Sufficiently similar |
| 2 | Whether objector has trademark rights in contended mark | Yes | Yes | Yes | Yes |
| 3 | Sufficiency of customer recognition that brand name is attributed to objector | No | No | Yes | Yes |
| 4 | Whether respondent knew or should have known that objector owned trademark | Yes | Yes | Yes | Yes |
| 5 | Whether respondent's prepared use of gTLD was bona fide | Yes | Yes | No | No |
| 6 | Whether respondent had bona fide rights to use gTLD | No | Yes | No | No |
| 7 | Whether respondent had been commonly known under name denoted by gTLD | No | No | No | Yes |
| 8 | Whether respondent's gTLD would create likelihood of confusion with objector's mark | Yes | Yes | Yes | Yes |

FIGURE 1

One can draw conclusions about the content and relevance of the Issues in their respective Factors from this table. It appears that Factors 1 and 2 are not decisive, but they are pre-requisites for considering the other six. With regard to Issue 1, the objector's mark must be sufficiently similar to the gTLD in order to develop a meretricious case. If the mark and gTLD are not identical, the gTLD must at least serve as a key brand identifier for the mark to satisfy this threshold. For example, "direct" was a sufficient identifier of "DIRECTV" trademarks. Similarly, the existence of the objector's trademark rights (Issue 2) considers whether the objector's rights are at stake to determine if the objector is in a position to seek a rejection of the gTLD.

Functionally, these two issues both provide standing for the

2014] TRADEMARKS IN THE NEW INTERNET AGE 981

objector to challenge the gTLD application. “Standing is the determination of whether a specific person is the proper party to bring a matter to the court for adjudication, . . . [meaning] ‘whether the litigant is entitled to have the court decide the merits of the dispute or of particular issues.’”¹⁶³ In this way, the LROs upheld in “.direct” and “.delmonte” had everything to do with the parties that filed the application, as opposed to the gTLD application in itself. If an applicant who was not a direct competitor of DirecTV applied for the “.direct” gTLD, the LRO would almost certainly have been rejected under the analysis in *Express, LLC v. Sea Sunset, LLC*.

The objector’s brand recognition (Issue 3) provides the preeminent reason for an LRO rejection. Where a trademarked brand is named after a common dictionary word, the term should not be precluded as a gTLD if the name is not primarily associated with that brand, and Respondent has a recognized association with the gTLD (Issue 7). Although a high likelihood of confusion may exist between the brand and the gTLD (thus producing an affirmative answer to Issue 8), an inherent risk of confusion exists in all gTLDs, even those as simple as “.com.”¹⁶⁴ This supports the premise that no entity should have exclusive use of a roadway such as a gTLD, unless it has a very good reason to do so. Conversely, the objector’s brand recognition can serve as the basis for an LRO acceptance where the trademarked term is highly unique and generally associated with the brand, the respondent does not have a recognized association with the gTLD, and a likelihood of confusion will arise.

The presumption against granting LROs for dictionary terms can be rebutted by Issue 5, or evidence that a gTLD application was made in bad faith.¹⁶⁵ In *The DirecTV Group v. Dish DBS Corporation*, the panel upheld an LRO where:

the potential use of the applied-for gTLD by Respondent takes unfair advantage of the distinctive character or the reputation of Objector’s registered marks, and unjustifiably impairs the distinctive character or the reputation of Objector’s mark and otherwise creates an impermissible likelihood of the likelihood of confusion between the applied-for gTLD and Objector’s mark.¹⁶⁶

In *Del Monte Corporation v. Del Monte International GmbH*, even the respondent’s recognized association with the gTLD (addressed in

¹⁶³ ERWIN CHEMERINSKY, *FEDERAL JURISDICTION* 55 (6th ed. 2012) (citing *Warth v. Seldin*, 422 U.S. 490, 498 (1975)).

¹⁶⁴ See *Express*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 24.

¹⁶⁵ See *The DirecTV Grp. Inc. v. Dish DBS Corp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination, at 5 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0005.pdf>.

¹⁶⁶ *Id.* (citing Module 3.5.2 of gTLD Applicant Guidebook).

Issue 7) was not enough to overcome bad faith.¹⁶⁷ Accordingly, improper motive appears to be the most important consideration for upholding an LRO.

In order for evidence of bad faith to be decisive, however, the respondent's knowledge of the objector's mark (Issue 4) and likelihood of confusion (Issue 8) are important. For bad faith to exist, the respondent must have known, or should have known, about the objector's trademark, thereby illustrating an intention to use the trademarked name as a gTLD. In addition, for the respondent to benefit from the confusingly similar gTLD, there must exist a likelihood of confusion between the domain names that incorporate the gTLD and the objector's trademark. It should be noted, however, that the likelihood of confusion did not affect the LRO determination where the respondent did not have knowledge of the objector's mark, and the respondent planned to use the gTLD bona fide. Finally, for bad faith to exist, the respondent itself cannot have bona fide rights to use the gTLD (Issue 6).

All four LRO decisions examined above determined that the gTLD would create a likelihood of confusion. Misleadingly, the panel in ".delmonte" claimed to uphold the LRO based on the likelihood of confusion that the respondent's gTLD was endorsed by the objector.¹⁶⁸ In so doing, the panel seemed to overemphasize the significance of the likelihood of confusion, instead of focusing on the value of a false endorsement to the respondent. If the likelihood of confusion was the decisive issue, then the ".express" and ".rightathome" LROs should have similarly been accepted. However, ".delmonte" was different because the licensee would have benefitted from registering the gTLD while excluding the licensor.

The real quandary, then, is motive and not the likelihood of confusion per se. Nonetheless, where the objector has standing and all of the other issue determinations cannot produce a conclusion (i.e. they are "neutral"), then the likelihood of confusion could prove to be the decisive issue.

IV. THE ISSUE TEST

In filing an objection, the objector bears the burden of proof that granting the respondent's gTLD would infringe on its existing trademark rights.¹⁶⁹ This means that the LRO will more likely be

¹⁶⁷ See *Del Monte Corp. v. Del Monte Int'l GmbH*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 9 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0001.pdf>.

¹⁶⁸ See Kevin Murphy, *We Have a Winner! Del Monte Wins .delmonte LRO*, DOMAIN INCITE (Aug. 7, 2013, 10:12 PM), <http://domainincite.com/14015-we-have-a-winner-delmonte-wins-delmonte-lro> (calling the likelihood of confusion element of the LRO "the most important factor").

¹⁶⁹ See gTLD Applicant Guidebook, *supra* note 53 ("The objector bears the burden of proof in

2014] TRADEMARKS IN THE NEW INTERNET AGE 983

rejected than accepted, as has indeed been the case. How, then, can we develop a formula for filing a successful LRO?

From the breakdown in Figure 1, we can derive a cohesive conclusion. On the pre-condition that the respondent applied for a gTLD that is sufficiently similar to the objector's existing trademark, an LRO will be refused where consumer recognition of the mark is not significantly tied to the objector's brand.¹⁷⁰ If the pre-condition is met, the LRO will be accepted where the objector's brand was sufficiently recognizable in the gTLD, or the respondent purposely planned to use the gTLD to create customer confusion in bad faith.¹⁷¹ These conclusions stand even where the respondent is a licensee of the objector.¹⁷²

Thus, the presence of standing is a pre-requisite for considering any other Factors to determine the LRO; sufficient similarity (Issue 1) and objector's trademark rights (Issue 2) must exist. Where the objector has brand recognition (Issue 3 is yes), this will cause the LRO to be upheld where the respondent does not have a recognized association with the gTLD (Issue 7 is no). The absence of the objector's brand recognition (Issue 3 is no or neutral) will lead to a rejection of the LRO.

Alternatively, where the respondent has, or should have had, knowledge of the objector's mark (Issue 4 is yes) and there exists a likelihood of confusion (Issue 8 is yes), while the respondent simultaneously does not have rights to use the gTLD (Issue 6 is no), then the respondent's lack of intent to use the gTLD bona fide (Issue 5 is no or neutral) is the conclusive issue leading to an acceptance of the LRO. However, where the response for Issue 4 or 6 does not correspond to this model because it is neutral, the LRO will nonetheless be upheld if Issue 8 shows a likelihood of confusion. Thus, the primary considerations are whether the gTLD shows bona fide use despite a likelihood of confusion, or whether the application was improperly motivated, thereby creating an unacceptable likelihood of confusion. The following table summarizes this analysis in a three-step process:

each case.”).

¹⁷⁰ See *Express, LLC v. Sea Sunset, LLC*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 6 (July 9, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0022.pdf>.

¹⁷¹ See *The DirecTV Grp. Inc. v. Dish DBS Corp.*, Case No. LRO2013-0005, WIPO Arbitration and Mediation Center Expert Determination (July 29, 2013), at 6–8 <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0005.pdf>.

¹⁷² See *Del Monte Corp.*, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 10.

| STEP 1: Starting point (Preconditions) | STEP 2: LRO is upheld if (at least one of the below formulations exists) | STEP 3 / CONCLUSION: LRO is rejected if (any combination of the below formulations exists) |
|---|--|---|
| Issue 1 must be met, AND Issue 2 must be met. | Issue 3 is yes, AND <ul style="list-style-type: none"> • Issue 7 is no, OR | Issue 3 is no or neutral, OR Issue 3 is yes and Issue 7 is yes or neutral, WHILE |
| | Issue 5 is no or neutral, AND <ul style="list-style-type: none"> • Issue 4 is yes or neutral, • Issue 6 is no or neutral, • Issue 8 is yes. | Issue 5 is yes, OR Issue 5 is no and Issues 4, 6 & 8 requirements are not simultaneously met, OR Issues 4, 5, 6 and 8 are all neutral. |

FIGURE 2

The above gTLD Issue Test may be met with skepticism. Running the already-decided LROs through its steps, however, the test results shadow the actual panel determinations regarding both U.S. and international businesses with 100% accuracy.¹⁷³ The table below illustrates this proposition, as it analyzes ten additional LRO determinations.¹⁷⁴

¹⁷³ The accuracy of test results has been verified up to the date of this publication.

¹⁷⁴ The LRO information is derived from the sixty-three Legal Rights Objection determinations issued by the WIPO Arbitration and Mediation Center. *See Legal Rights Objections, supra* note 12.

2014] TRADEMARKS IN THE NEW INTERNET AGE 985

| Contended gTLD | Case Name | gTLD Issue Test Application | Result of gTLD Issue Test | Result of LRO Panel |
|----------------|--|---|---------------------------|---------------------|
| .academy | <i>Academy, LTD v. Half Oaks, LLC</i> | Preconditions met Issue 3 exists? • No Issue 5 exists? • No Issue 4 exists? • No ✘ | Objection Rejected | Objection Rejected |
| .blue | <i>Blue Cross and Blue Shield Association v. Afilias Limited</i> | Preconditions met Issue 3 exists? • No Issue 5 exists? • No Issue 4 exists? • Yes Issue 6 exists? • No Issue 8 exists? • No ✘ | Objection Rejected | Objection Rejected |
| .coach | <i>Coach, Inc. v. Koko Island, LLC</i> | Preconditions met Issue 3 exists? • Neutral Issue 5 exists? • Yes ✘ | Objection Rejected | Objection Rejected |
| .mail | <i>United States Postal Service v. White Pages TLD LLC</i> | Preconditions met Issue 3 exists? • No Issue 5 exists? • Yes ✘ | Objection Rejected | Objection Rejected |
| .merck | <i>Merck KGaA v. Merck Registry Holdings, Inc.</i> | Preconditions not met Issue 3 exists? • Neutral Issue 5 exists? • Yes ✘ | Objection Rejected | Objection Rejected |
| .mls | <i>The Canadian Real Estate Association v. Afilias Limited</i> | Preconditions not met ✘ | Objection Rejected | Objection Rejected |

986 CARDOZO ARTS & ENTERTAINMENT [Vol. 32:959]

| | | | | |
|--------|---|---|--------------------|--------------------|
| .moto | <i>Motorola Trademark Holdings LLC</i> v. <i>United TLD Holdco Ltd.</i> | Preconditions not met ¹⁷⁵ ✘ | Objection Rejected | Objection Rejected |
| .music | <i>DotMusic Limited</i> v. <i>Amazon EU S.à.r.l.</i> | Preconditions not met ✘ | Objection Rejected | Objection Rejected |
| 微博 | <i>Sina Corporation</i> v. <i>Tencent Holdings Limited</i> | Preconditions met Issue 3 exists? • Neutral Issue 5 exists? • Neutral Issue 4 exists? • Yes Issue 6 exists? • Neutral Issue 8 exists? • Yes ✓ | Objection Upheld | Objection Upheld |
| .weibo | <i>Sina Corporation</i> v. <i>Tencent Holdings Limited</i> | Preconditions met Issue 3 exists? • Neutral Issue 5 exists? • Neutral Issue 4 exists? • Yes Issue 6 exists? • Neutral Issue 8 exists? • Yes ✓ | Objection Upheld | Objection Upheld |

Key

✘ – This symbol indicates that the gTLD failed the Issue Test at this point in the analysis, and the test need not be applied further.

✓ – This symbol indicates that the gTLD passed the Issue Test at this point in the analysis, and the test need not be applied further.

¹⁷⁵ The panel determined that Objectors could not attempt to assert that consumers would assume a gTLD is associated with their brand simply because they may be aware that “.brand” gTLDs may be coming. See Expert Determination Legal Rights Objection, *Motorola Trademark Holdings LLC v. United TLD Holdco Ltd.*, Case No. LRO2013-0054, WIPO Arbitration and Mediation Center, at 8 (Aug. 8, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0054.pdf>.

2014] TRADEMARKS IN THE NEW INTERNET AGE 987

As indicated above, the result of the Issue Test proposed herein directly aligns with the determinations reached by the LRO panels. The formula provides a shortcut to finding the result of an LRO application that is efficient¹⁷⁶ and cost-effective. An objector may need to pay over \$20,000 to file an objection,¹⁷⁷ in addition to bearing thousands of dollars in attorneys' fees to develop the case and file all relevant documents. Provided with the Issue Test, the probability of succeeding in an LRO can be assessed for free, within minutes.

Admittedly, the formula is based on WIPO's continued use of the eight non-exclusive factors. However, if WIPO changed these Factors, we would first be advised of a change to the test in a new version of the Applicant Guidebook. This notice would provide an opportunity to rework the formula in advance. As it stands, the Issue Test provides a reliable prediction for gTLD application objectors to determine whether to devote time and resources to filing an LRO. It appears improbable that WIPO will use a significantly altered formula for future LRO determinations, unless the original test is fundamentally flawed. Such a change would inevitably undermine the legitimacy of decision-making in the first round of LROs.

V. POLICY JUSTIFICATION?

Judging by the number of LROs filed, as compared to the number of LROs upheld, it appears immensely difficult to succeed in an LRO. Why, then, have ICANN and WIPO made this threshold so high?

ICANN intends to change the architecture of the Internet with the creation of the new gTLD program.¹⁷⁸ "What makes this new policy radical is that it is not meant to just provide a handful of new gTLDs . . . [i]nstead, what ICANN is considering is a uniform system to approve generic top level domains that is expected to have profound implications."¹⁷⁹

Even before the new gTLD program was rolled out, the ICANN website stated: "[N]ew generic top-level domains may change the whole way we approach the Internet in the future."¹⁸⁰ Because applicants themselves choose gTLD names, they can incorporate almost any word or combination of words.¹⁸¹ The addition of hundreds of new gTLDs

¹⁷⁶ Some of the LRO determinations are very lengthy; for example, the opinion in *Express, LLC v. SeaSunset, LLC* is twenty-six pages long.

¹⁷⁷ See *Schedule of Fees and Costs*, *supra* note 60.

¹⁷⁸ For a discussion of how the relationship between pre and post-Internet law can be changed by the alteration of the Internet architecture, see Lawrence Lessig, *Commentaries: The Law of the Horse: What Cyberlaw Might Teach*, 113 HARV. L. REV. 502 (1999).

¹⁷⁹ See Haight-Farley, *supra* note 91 at 626.

¹⁸⁰ *30th International Public ICANN Meeting*, ICANN, <http://losangeles2007.icann.org/> (last visited Apr. 18, 2014).

¹⁸¹ gTLD names are subject to a few requirements, including a length requirement of three to

will provide registrants with exponentially more domain name options.

In order to allow this to happen, however, ICANN needs to open desirable gTLDs, and the ability to claim trademark ownership of those gTLDs must necessarily demand a high threshold.¹⁸² If too many brands claim that gTLDs, which in some way correspond to their names, cannot be owned by another entity, this will severely limit the number of gTLDs available. In fact, it would force a potential gTLD registrant to review trademark registries across the globe to ensure that the gTLD would not copy any of them. This, in turn, would be too inefficient, and would undermine the goal and purpose of the new gTLD program altogether.

On the other hand, trademark owners devote significant company resources to creating a positive and desirable brand image.¹⁸³ The new gTLDs could provide many more tools for cybersquatters to take unfair advantage of competing brands selling similar products or services.¹⁸⁴ For example, they can fabricate Google search results that lead to cybersquatter websites, and add new domain names that are confusingly similar to existing websites.

As intellectual property attorney Elizabeth H. Schierman advises, “trademark holders should no longer rely solely upon registering www.[trademark].com, .net and .org to prevent cybersquatting and trademark infringement. Cyberspace is changing and trademark holders’ tactics must change too.”¹⁸⁵ Unfortunately, gTLD applications are

sixty-three characters, beginning and ending with a letter or number, and not including a space. See *FAQs for .name Generic Domains*, 101DOMAIN.COM, <http://www.101domain.com/faq-name-Registration-Requirements-and-Criteria.htm> (last visited Feb. 27, 2014).

¹⁸² “One ICANN board member has already publicly taken the view that what constitutes ‘adequately address’ from ICANN’s perspective is unlikely to be the same as what constitutes ‘adequately address’ from trademark owners’ perspectives.” Kristina Rosette, *ICANN and Trademark Protection in New gTLDs*, TRADEMARKWORLD, Dec. 2009/Jan. 2010, at 43, available at <http://www.cov.com/files/Publication/98a01868-31b9-433f-be34-19e7ab975751/Presentation/PublicationAttachment/c655ef32-c00b-4f95-a4fc-c5001f3ed0ea/ICANN%20and%20Trademark%20Protection%20in%20New%20gTLDs.pdf>.

¹⁸³ For example, Express claims to have spent over \$800 million for the advertisement and promotion of its “EXPRESS” trademark between 1986 and early 2013 when the LRO was filed. See *Express, LLC v. Sea Sunset, LLC*, Case No. LRO2013-0022, WIPO Arbitration and Mediation Center Expert Determination, at 3 (July 9, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0022.pdf>. In addition, in 2013, the U.S. retail industry spent \$3.36 billion, or 35.4 percent, of its marketing budget on promoting positive brand opinion. *How Much Are Industries Spending on Direct Response vs. Branding?*, EMARKETER (Jan. 3, 2014), <http://www.emarketer.com/Article/How-Much-Industries-Spending-on-Direct-Response-vs-Branding/1010500>.

¹⁸⁴ Kevin Murphy, *Yes, There is Cybersquatting in New gTLDs*, DOMAIN INCITE (Feb. 6, 2014, 11:06 AM), <http://domainincite.com/15735-yes-there-is-cybersquatting-in-new-gtlds> (“With new TLDs, comes Cybersquatting. It’s inevitable. . . . One Los Angeles clothing store appears to have registered several .clothing domains matching brands it does not own, possibly unaware that such behavior is frowned upon.”).

¹⁸⁵ Elizabeth Herbst Schierman, *.Com and .Net, Make Room for .Trademark: What Trademark Holders Should Know About the New gTLD Program*, THE ADVOCATE, Feb. 2010, at 28, available at <http://dykaslaw.com/wp/wp-content/uploads/2010/02/adv10feb-Article>

2014] TRADEMARKS IN THE NEW INTERNET AGE 989

extremely costly, and only elite brands will have the necessary \$180,000 to apply for a gTLD, and up to \$1 million to fund associated costs in the first two years.¹⁸⁶ These costs can also increase if multiple parties apply for the same gTLD, in which case the gTLD will be awarded to the highest bidder at an auction.¹⁸⁷ Trademark owners who choose to forgo a “.brand” gTLD will therefore need to invest time and money to police gTLD applications and SLD registrations under those gTLDs.¹⁸⁸

As already mentioned, the primary issue facing ICANN is solving the Trademark Dilemma, or finding the happy balance between upholding trademark owners’ rights and achieving the goals of the new gTLD program.¹⁸⁹ Given the ratio of LRO grants to refusals, it would seem that WIPO and ICANN are far more concerned about protecting the program than they are with protecting trademark rights. This conclusion, however, is premature considering that WIPO has thus far only accepted a single wave of LROs, and the determinations were made in July and August 2013.¹⁹⁰

VI. ADDITIONAL GTLD TRADEMARK PROTECTIONS

First, “trademark law standards are always applied in the context of how a consumer would encounter the mark.”¹⁹¹ For trademark protection to apply, the consumer cannot first encounter the trademark in the form of a gTLD because the gTLD program is new. This makes for a strong argument that existing trademark rights should not automatically extend to gTLDs.¹⁹² As “.brand” gTLDs become widespread, consumers may come to encounter the mark in the form of a gTLD, thereby expanding existing trademark rights to gTLDs.

Second, the above-analyzed LRO determinations released in August 2013 are the only ones available, and no decisions existed prior to the filing of the March 2013 round of LROs to provide guidance to objectors. The gTLD Issue Test discussed herein has never before been produced. Perhaps, then, it is not a bias against granting LRO decisions that has led to their lack of success, but rather the lack of guidance as to

AsRepublishedOnline.pdf.

¹⁸⁶ Prah & Null, *supra* note 4, at 1765–66.

¹⁸⁷ *Id.* at 1766.

¹⁸⁸ *See id.* at 1760.

¹⁸⁹ *See* NAT’L TELECOMMS. & INFO. ADMIN., *supra* note 25.

¹⁹⁰ *See, e.g.*, Del Monte Corp. v. Del Monte Int’l GmbH, Case No. LRO2013-0001, WIPO Arbitration and Mediation Center Expert Determination, at 11 (July 29, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0001.pdf>; Motorola Trademark Holdings LLC v. United TLD Holdco Ltd., Case No. LRO2013-0054, WIPO Arbitration and Mediation Center, at 18 (Aug. 8, 2013), <http://www.wipo.int/export/sites/www/amc/en/domains/lro/docs/lro2013-0054.pdf>.

¹⁹¹ Haight-Farley, *supra* note 91, at 631.

¹⁹² *Id.* (noting “the lack of fit between trademark law and domain name policy”).

990 CARDOZO ARTS & ENTERTAINMENT [Vol. 32:959]

the components of a successful LRO. Provided with the template, future objectors should have a much higher success rate; they will be able to judge their cases realistically and self-eliminate before the LRO process is even attempted.

Third, a party dissatisfied with the LRO determination has the option to bring its case in federal court.¹⁹³ Two weeks after the “.delmonte” determination was made, the respondent filed a complaint against the objector in the District Court for the Central District of California to challenge it.¹⁹⁴ The complaint described the panel’s decision as “manifestly erroneous,” and requested declaratory relief to state that “(1) DM International has *bona fide* rights in the DEL MONTE mark, is not in violation of the [ACPA], and that the registration of the gTLD .delmonte would not create an impermissible likelihood of confusion, and (2) ordering DM Corp. to withdraw its Legal Rights Objection.”¹⁹⁵

Del Monte Corp. moved to dismiss on a number of grounds, including for failure to state a claim for relief under the ACPA.¹⁹⁶ On February 5, 2014, the Court dismissed the complaint on this ground, noting that the ACPA could only apply where the plaintiff showed that a domain name was at issue.¹⁹⁷ Del Monte Int’l therefore could not assert any claim under the ACPA because it did not have a registered domain name.¹⁹⁸ Although Del Monte Int’l did not succeed in reversing the LRO determination, this case did not close the door to future LRO challenges in federal court. Rather, it clarified that plaintiffs must have a registered domain name to bring such a case under the ACPA.

Fourth, ICANN has built a number of protections into the new gTLD program in the interest of trademark owners, which provide safeguards that may not be adequately addressed by legislation such as the UDRP, the ACPA, or the WIPO objection process. They are divided into the rights protection measures (“RPMs”) at the gTLD start-up phase that will act as preventative measures, and at the post-launch phase that will act to counteract infringers.¹⁹⁹

The first start-up RPM is the Trademark Clearinghouse and Claims Service, which allows trademark owners worldwide to enter their

¹⁹³ See 15 U.S.C. § 1116 (2012).

¹⁹⁴ See Andrea L. Calvaruso & Nancy H. Lutz, *Challenging a gTLD Legal Rights Objection Decision Via Declaratory Judgment Action: Del Monte v. Del Monte*, LEXOLOGY (Aug. 15, 2013), <http://www.lexology.com/library/detail.aspx?g=1096b133-c8ad-4ee6-92cc-8cfaea886f5e> (discussing *Del Monte Int’l GmbH v. DelMonte Corp.*, No. 2:13-CV-0591 (C.D. Cal. Aug. 13, 2013)).

¹⁹⁵ *Id.*

¹⁹⁶ Tamlin H. Bason, *Failed Bid to Register .delmonte gTLD Cannot Serve as Basis for ACPA Claim*, BNA (Feb. 12, 2014), <http://www.bna.com/failed-bid-register-n17179882055/>.

¹⁹⁷ See *id.*

¹⁹⁸ See *id.*

¹⁹⁹ Prah & Null, *supra* note 4, at 1779.

2014] TRADEMARKS IN THE NEW INTERNET AGE 991

lawfully-existing trademarks into the Trademark Clearinghouse database.²⁰⁰ This should be an economically accessible remedy, as the filing fee for authenticating trademarks will cost around \$200 USD.²⁰¹ The Claims Service will then require registries to access the database to check whether a gTLD application infringes on any of them.²⁰² Although notification of a trademark conflict does not impose any obligation on the gTLD seeker to withdraw an application, this system will serve an advisory role to alert parties of potential infringement.²⁰³

The second start-up RPM is the Sunrise Period, which occurs at a minimum of thirty days prior to the launching of a gTLD.²⁰⁴ This RPM protects trademarks because it “provides a mark owner a set amount of time during which to register its trademark(s) as an SLD under a newly-delegated gTLD, thereby precluding third parties from registering the identical domain under that gTLD; this is often called defensive registration.”²⁰⁵ The Claims Service will monitor whether an applicant is attempting to file an SLD that is identical to the registered trademark, and notify the trademark owner if such a conflict arises.²⁰⁶ This notification will provide the owner with an opportunity to object to the application.

The post-launch RPMs will allow trademark holders to obtain injunctive relief against infringement. The Uniform Rapid Suspension System (“URS”) will “suspend domains representing ‘clear cases of copyright abuse,’ which must be proven by clear and convincing evidence.”²⁰⁷ To meet the threshold of a clear case of copyright abuse, the infringement must be shown as unequivocal, having been made in bad faith, with the infringer possessing no rights in the domain name.²⁰⁸ The URS imposes high requirements because the infringement must be indisputable, but this nonetheless provides a remedy for clear cases.

Finally, the Lanham Act may, in practice, prove to offer plaintiffs causes of actions for trademark infringement in gTLDs after the new system goes live. Prior to the ACPA, the Act allowed plaintiffs to bring actions for:

- (a) registered trademark infringement, where the plaintiff must show that the mark is a registered trademark, the defendant is making commercial use of the mark in commerce, and such use is likely to

²⁰⁰ See Trademark Clearinghouse §§ 1.1 and 1.2, gTLD Applicant Guidebook, *supra* note 53.

²⁰¹ *The Changing Online Landscape: the Introduction of New Generic Top-Level Domains in 2013*, SIDEMAN & BANCROFT LLP (Dec. 2012), <http://www.sideman.com/news/detail/431/none>.

²⁰² Prah & Null, *supra* note 4, at 1780.

²⁰³ *Id.* at 1781.

²⁰⁴ *See id.*

²⁰⁵ *Id.*

²⁰⁶ *Id.*

²⁰⁷ *Id.* at 1782 (citing the gTLD Applicant Guidebook, see *supra* note 53).

²⁰⁸ *See id.*

- cause confusion, to cause mistake, or to deceive;²⁰⁹
- (b) unfair competition, where the plaintiff must show that the defendant is making commercial use of a registered or unregistered mark in commerce, and such use is likely to cause confusion;²¹⁰ or
 - (c) trademark dilution where the plaintiff must show that the mark is famous, the defendant is making commercial use of the mark in commerce, the defendant's use began after the mark became famous, and the defendant's use of the mark dilutes the quality of the mark.²¹¹

Before the new gTLD system was introduced, plaintiffs alleging trademark infringement in SLDs usually brought cases under (c), above, asserting that cybersquatters diluted their brands and tarnished their reputation.²¹² Ownership of a domain name is sufficient to satisfy the "commercial use" requirement.²¹³ Pursuant to the Lanham Act, however, gTLDs of federal registrations cannot be liable for dilution²¹⁴ "based on reputational damage, meaning Delta Faucets is safe from a dilution claim from Delta Airlines if it registers .delta first."²¹⁵ Therefore, trademark owners can only bring claims against parties that do not possess immunity under the Lanham Act. Nonetheless, a federal dilution claim serves as an alternative for seeking relief outside of the LRO process.²¹⁶ As such, objectors who are unhappy with LRO panel determinations can protect their trademarks through the alternative methods discussed in this section.

CONCLUSION

The gTLD revolution is currently under way. While ICANN hopes that the addition of new gTLDs will create a fundamental shift in the Internet architecture, this change should not be made at the expense of trademark protection.

The LRO process serves as a tool for trademark owners to assert their legal rights. Although it appears that the overwhelming majority of LROs have been rejected, we cannot yet conclude that WIPO has prioritized expanding the Internet highway at the cost of trademark rights. After all, objectors shot in the dark during the first round of LROs, not knowing how expert panels would interpret the eight non-

²⁰⁹ 15 U.S.C. § 1114(1) (2012).

²¹⁰ 15 U.S.C. § 1125(a) (2012).

²¹¹ 15 U.S.C. § 1125(c) (2012).

²¹² Prah & Null, *supra* note 4, at 1794.

²¹³ *See* Panavision Inter., L.P. v. Toeppen, 141 F.3d 1316 (9th Cir. 1998).

²¹⁴ 15 U.S.C. § 1125(c)(6)(B) (2012).

²¹⁵ Prah & Null, *supra* note 4, at 1794–95.

²¹⁶ The Federal Trademark Dilution Act of 1995 "specifically states that federally-registered marks may no longer be the subject of state law dilution claims." *Trademark Dilution*, BITLAW, <http://www.bitlaw.com/trademark/dilution.html> (last visited Feb. 26, 2014).

2014] TRADEMARKS IN THE NEW INTERNET AGE 993

exclusive factors that would be taken into consideration in the formulation of a determination.

The panels' decisions centered on the general theme of whether applied-for gTLD terms would effectuate bona fide use, even if another entity claimed trademark infringement. Particular emphasis was placed on whether a gTLD application was made in bad faith, and whether the likelihood of confusion between terms would provide the gTLD owner with an unfair competitive advantage. These considerations led the panels to uphold the LROs in *The DirectTV Group Inc. v. Dish DBS Corporation* and *Del Monte Corporation v. Del Monte International GmbH*, while denying them in *Express, LLC v. Sea Sunset, LLC* and *Right At Home v. Johnson Shareholdings, Inc.*²¹⁷

This Note synthesizes the pattern of panel determinations into a simple template. The Issue Test will allow potential objectors to realistically evaluate their likelihood of success in an LRO. It functions cheaply and quickly, thereby deterring some potential objectors from entering the costly and lengthy objection process, and encouraging others to do so. Overall, the Issue Test should dramatically increase the number of successful LROs in the future, and protect rightfully asserted trademarks.

*Kate Dolinska**

²¹⁷ See *Legal Rights Objections*, *supra* note 12.

* Associate Editor, *CARDOZO ARTS & ENT. L.J.* (Vol. 33); *Juris Doctor* Candidate, Benjamin N. Cardozo School of Law (2015); Master of Arts, Central Saint Martins; Bachelor of Science, Cornell University. With special thanks to Professor Justin Hughes, Professor Susan P. Crawford, Editor-in-Chief Francesca M. Montalvo, and Senior Notes Editor Catherine Leibowitz. © 2014 Katarzyna (Kate) M. Dolinska.