

YourBrand.Sucks: How To Deal With The New GTLD

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As many of you know, in addition to the generic top-level domains with which we are familiar, such as .com, .org and .net, the Internet Corporation for Assigned Names and Numbers has approved over a thousand new gTLDs. Of significant concern for brand owners everywhere is ICANN's approval of the gTLD .sucks, which is set to launch before the end of the year. Brand owners who have registered their trademarks with the Trademark Clearinghouse will have first dibs at domain names in the pernicious gTLD in less than two weeks, provided they are willing to shell out the hefty annual fee of \$2,500. The sunrise period begins on March 30, 2015, and general availability will follow on June 1, 2015.



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.Sucks Controversy

Controversy has followed ICANN's approval of the .sucks string. Many view the new gTLD as a way for predatory registrars to gouge money from brand owners. Others view it as a way for consumers to voice legitimate concerns. Not surprisingly, there were multiple contenders for the operation of the string, and in November 2014, the Vox Populi Registry Ltd. paid over \$3 million for the right to operate the .sucks gTLD. It had been widely reported that Vox intended to charge brand owners who had registered marks with the Trademark Clearinghouse \$25,000 per domain. It ultimately later settled on a "more reasonable" \$2,499 annual fee model.

Early Registration During the Sunrise Period

Before offering second-level domains to the general public, each new gTLD operator must provide a sunrise period during which only owners of brands registered with the Trademark Clearinghouse may purchase domain names reflecting their registered marks. The sunrise period for the .sucks gTLD begins on March 30, 2015, and continues through May 29, 2015. Companies that have registered marks with the clearinghouse must pay \$2,499 per year for each domain they wish to register with the .sucks operator. Presumably, brands would then ensure that the domain name remains inactive.

Post-Sunrise Pricing Structure

Vox has published a suggested retail pricing structure on their website. During general availability, which is

set to begin on June 1, 2015, Vox will charge \$249 for registering “standard” domain names. For “premium” domain names, Vox suggests a variable list price of at least \$299 per domain name. This price is only the minimum Vox could potentially charge purchasers of “premium” domains. Vox has not yet published a list of what domains it will consider “premium,” which will be determined in Vox’s sole discretion. It is a safe bet that more costly “premium” domain names will include those that correspond to well-known brand names.

Beginning on Sept. 1, 2015, Vox will also offer a “Consumer Advocate Subsidized” pricing tier via which consumers may purchase nonstandard and nonpremium domain names for \$9.99. Domain names purchased under this tier will redirect to the Everything.sucks platform, a consumer advocacy site that will provide a free hosted consumer discussion forum for the domain. For example, if a consumer purchases the brand.sucks domain via the consumer advocate subsidized program, that consumer will only be allowed to operate the site as a discussion forum hosted on Everything.sucks.

Alternative Avenues to Protect Your Brand

All is not necessarily lost for brand owners who are not willing or able to purchase domain names in the .sucks registry. Trademark owners may still take advantage of ICANN’s existing trademark protection and enforcement mechanisms, such as the Uniform Dispute Resolution Policy or the Uniform Rapid Suspension procedure in the event that a registrant uses a .sucks domain name in a way that infringes on any of the brand owner’s rights.

To succeed in a UDRP action via which a World Intellectual Property Organization panel may transfer a domain name to the aggrieved brand owner, the brand owner must establish the following elements: (1) that the disputed domain name is identical or confusingly similar to its trademark; (2) that the registrant does not have any rights or legitimate interests in the disputed domain name; and (3) that the disputed domain name has been registered and is being used in “bad faith.” To succeed in a URS proceeding, a complainant must establish the same elements as in a UDRP action, but a heightened “clear and convincing” standard applies.

WIPO has determined that, in general, for the purpose of the first element of the UDRP “a domain name consisting of a trademark and a negative or pejorative term (such as [trademark]sucks.com) would be considered confusingly similar to the complainant’s trademark.”[1] Historically, this has meant that in UDRP actions involving “[brand x] sucks.com” domain names, brand owners were successful more often than not in obtaining a transfer of the disputed domain name to the brand owner, especially when the brand owner could show some evidence of bad faith on the part of the registrant.[2] However, some WIPO panelists have ruled against trademark owners in those cases, finding that a registrant has a legitimate interest in using the trademark as part of the domain name of a criticism site if such use is fair and noncommercial.[3] It is unclear whether WIPO panelists will extend the same precedents to domain names incorporating “sucks” when the sucks moves to the right of the dot, but the possibility of protection for brand owners remains.

Conclusion

The launch of the .sucks gTLD is of particular concern to brand owners. If a brand owner has registered a mark with the Trademark Clearinghouse, it should be mindful that the sunrise period is fast approaching, and that it will have 60 days to decide whether or not to purchase a .sucks domain before the general public. Brand owners who have not registered should consider whether they should register with the clearinghouse to take advantage of the \$2,500 sunrise pricing before Vox introduces the variable pricing of “premium” domains or take its chances as necessary in a UDRP or URS proceeding.

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[1] WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Editions, Section 1.3.

[2] See, e.g., Wal-Mart Stores Inc. v. Richard MacLeod d/b/a For Sale, WIPO Case No. D2000-0662, wal-martsucks.com; Red Bull GmbH v. Carl Gamel, WIPO Case No. D2008-0253, redbullsucks.com; Vanguard Trademark Holdings USA, LLC v. European Travel Network, WIPO Case No. D2008-1325, alamo-sucks.com; Air Austral v. Tian Yi Tong Investment Ltd., WIPO Case No. D2009-0020, airaustralsucks.com; Société Air France v. Mark Allaye-Chan, WIPO Case No. D2009-0327, airfrance-suck.com.

[3] See, e.g., WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Editions, Section 2.4; Southern California Regional Rail Authority v. Robert Arkow, WIPO Case No. D2008-0430, metrolinksucks.com; Sermo Inc. v. CatalystMD LLC, WIPO Case No. D2008-0647, sermosucks.com.