



United States and Canada Respond to ICANN's Concerns over the “.sucks” Domain

July 13, 2015

In April 2015, the General Counsel of the Internet Corporation for Assigned Names and Numbers (“ICANN”) sent a letter to the United States’ Federal Trade Commission (the “FTC”) and Canada’s Office of Consumer Affairs (the “OCA”), requesting that the FTC and OCA investigate whether Vox Populi, the owner of the “.sucks” top-level Internet domain, was in violation of any laws or regulations due to the operation of the domain related to excessive fees charged to trademark holders seeking to secure the domain.

The ICANN letter was in response to a request for such an investigation from the head of ICANN’s Intellectual Property Constituency, a group that raised concerns over Vox Populi’s allegedly “predatory” registration scheme for the “.sucks” domain. Specifically, during the Sunrise Period for the “.sucks” domain (during which registration was open only to trademark holders), Vox Populi charged at least \$2,499 to register for the domain, an action that some trademark holders merely took to protect their mark from tarnishment and cybersquatting.

The Intellectual Property Constituency viewed this as an attack on trademark holders, estimating that the price for Sunrise Period registration was 250 times higher than what Vox Populi will charge for “.sucks” domain registration during the general availability period, during which anyone may register on a “first come, first serve” basis. Moreover, the \$2,499 fee is an annual fee if the trademark registered is deemed to be a “premium” mark, determined by a compilation of marks registered during sunrise periods for other domains, and will be charged to a holder even during the general availability period.

Edith Ramirez, chairwoman of the FTC, responded to this letter on May 27, 2015, stating that the FTC is monitoring the situation and will take actions necessary to protect consumers from confusion and deceptive business practice. Ms. Ramirez also pointed out that the “.sucks” situation raised concerns about other new top-level Internet domains in general, and urged ICANN to address issues related to customer confusion, as well as work to ensure ICANN’s own practices and procedures provided adequate protection to intellectual property owners.

On June 9, 2015, John Knubley, Deputy Minister of Industry Canada, issued a response to ICANN, expressing that Canada’s “comprehensive” laws work to protect trademark holders and consumers, and can be utilized to protect against infringement by a “.sucks” domain, but, like the FTC, declined to state that an investigation would be carried out.

The issues raised by the “.sucks” domain apply equally to other new top-level Internet domains. While trademark holders registered with ICANN’s Trademark Clearinghouse can take advantage of a new domain’s Sunrise Period,

this may also provide domain owners an opportunity to “cash in” from a trademark holder’s desire to protect its marks.

As more new top-level Internet domains become available, trademark holders should be wary of new opportunities for infringement and customer confusion. Registration with the Trademark Clearinghouse enables owners of trademarks not only to benefit from sunrise periods but also to receive notifications should someone try to activate a new domain using their mark, which is important to consider as the Internet expands.

If your institution has questions or concerns about this topic and you would like further information, please email Karen I. Levin at klevin@cullenanddykman.com or Ariel E. Ronneburger at aronneburger@cullenanddykman.com.