

### Protecting Your Business Trademarks When New gTLDs Launch - With Jan Corstens

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If you run a business and you own trademarks for your brand, your products, or your services, you are likely going to be affected by the hundreds of new top-level domains that will becoming available over the next few months and years. People will potentially register your trademark in hundreds of alternate top-level domains, like .APP or .SHOP. What do you do to protect your trademarks? We are going to find out on today's show. Stay tuned.

I have three short sponsor messages before we get into today's show.

First, if you're a domain name investor, you have unique intellectual property needs – and you need an IP attorney that understands them, that follows the industry, and can help you navigate UDRP, copyright and trademark laws. David Weslow of Wiley Rein is the lawyer to call for Internet legal issues.

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Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how

to become a successful domain name investor and entrepreneur directly from the experts.

If you run a business and you are worried about your intellectual property being used by others when new top-level domains are available, you are not alone. There are actions you can take now to protect your trademarks when the hundreds of new top-level domains, like .APP or .SHOP, start to become available for registration. What can you do? That is the question we are going to answer today.

Joining us to help us understand this issue is Jan Corstens, a partner at Deloitte's Belgian Office, who leads a team of experts in contract risk and compliant services.

Throughout the last fourteen years, Jan has performed and managed multiple royalty and IP audits in software, hardware and technology, and he is currently the Project Director for the Trademark Clearinghouse - an initiative that has been created to help brand owners protect their intellectual property with ICANN's new generic top-level domain program. Jan, welcome to the show.

Jan Corstens: Hello.

Michael: It is great to have you here. You are joining us from the Belgian office. Is that correct?

Jan: Correct, I am current in Brussels, yeah.

Michael: Awesome, thanks for joining us. So, I spewed off a lot of industry words to describe the Trademark Clearinghouse just now. Let's assume you are talking to one of your parents or, better yet, my mom, who is early eighties. I should not even say that. She is going to get mad at me now. You are talking to my mom, who is on the Internet. Let's say that she has a business - small local business. Let's say that she has a trademark. Can you explain, as if you were speaking to my mom, what the Trademark Clearinghouse is?

Jan: Yes, I can. So, in order to do that and to keep it and to bring it first to that level, you can actually think of what the Internet looks like right now. Right now, you have around 220 top-level domains, which they call country codes - CCTLDs. Anything with two characters behind the dot. .BE for Belgium or .DE for Germany for instance. And next to that, you have a little over twenty, what they call, generic top-level domains. .COM is the most known one. You have .NET, you have .ASIA, you have .ORG, and a couple more. Now, the Internet is going to massively change in the next couple years, because ICANN - the Organization that manages the Internet or that oversees that regulation on the Internet and on the domain name industry - has decided to gather with the global community that they were going to give a lot of organizations an opportunity to get additional top-level domains, or even to get their own top-level domain in case of some brand owners. Now, what happened in the last couple of years that ICANN and the global community agreed on the procedure to do that that it is implemented, and as a result of that, well, we can expect probably over a thousand new ones.

Now, compare the 220 that you currently have with the 1000, the Internet will be multiplied by five, so to speak. Now, good, that is all great and well, but for some parties in the world, that is frightening. That was threatening. What happened in the past? In the past, specific trademark owners, and you can have multiple examples - Nike, Coca Cola, or whoever owns a trademark. Well, what did they do in the past? In the past, they tried to register as much of their trademarks in all of these top-level domains. And at a certain moment, they were allowed to do that before anyone else. They were allowed to participate in what they call a sunrise. A sunrise is a period being before wider availability, where anyone who wanted to could register a domain name based upon their trademark, and then they had to prove that they actually had that trademark and somebody had to verify that.

Well, in the past, those were called sunrises and they were organized individually per top-level domain. And we, at Deloitte, for instance, at the time, did the verification for .ASIA or for .(Unclear 6:09.1), and for a couple more. And we had to verify that the party that submitted that request for a domain name actually had the trademark that was equal to the domain name. Now, with more than a thousand coming up, the global community and, again, especially the IT community and the governments of this world were

saying, "Well, if we had to do the same as we did in the past, this is going to become chaos, because you will have to go individually to each one of them. What is that going to cost? How will anyone still have control whether it all makes sense? We need to create some rights protection mechanism that is more centrally organized than what has happened in the past, and that we can all use in an efficient and a cost-efficient way to help us protect our trademarks," and so the idea of the Trademark Clearinghouse was born, a couple of years ago.

It took a while before the global community and ICANN and finally were able to set down all of the details on how this Clearinghouse was supposed to operate. They found a party to operate us. In this case, we, as Deloitte, with the help of IBM because obviously we also needed the technical infrastructure for this. And as a result, the Trademark Clearinghouse was setup. Now, what does this Trademark Clearinghouse do? Well, it is part of ICANN's rights protection mechanism, but it is part more of ICANN's proactive rights protection mechanism. There is a couple that ICANN has put in place. You have the Trademark Clearinghouse. You have things like the UDRP. You have things like the URS. I think we would need another webcast to talk about all of them, but anyhow, in this case, the Trademark Clearinghouse is foreseen to be a proactive mechanism, and it is.

It consists of two specific mechanisms. First of all, there is this sunrise. I talked about it a couple of minutes ago. In this case, you will not have to go to each individual top-level domain anymore, as you had to do in the past. Right now, you have to submit your trademark to the Trademark Clearinghouse. You will get a specific code. And with that specific code, you can go to all of these top-level domains and have, if you want to of course, a domain name registered, which is equal to the label that you have registered, which should be equal to the trademark that you have actually registered.

Michael: Okay, so let me make sure I understand that, Jan, before you continue. So, let's say, at the end of this year, forty top-level domains are coming available. .APP. .SHOP. .BUY. All these new top-level domains that are similar to .COM. If they are all coming available on one day, my mom, who owns a trademark, who wants to protect it, might have to go to forty different companies who are operating each of those top-level domains and

say, "I am a trademark owner. I would like to prove it to you so that I can get access to the sunrise period and reserve my trademark in your extension before it is openly available for anybody in the world to go register."

Jan: Okay, in order to explain that in more detail, we have to cut it a little bit more in pieces, because you are combining a couple of things. First of all, if you want to register a domain name, like it is in the domain name industry, you do not go directly to the company that actually operates a top-level domain. You go to a registrar. You go to a company that sells domain names on behalf of the registries in the world.

Michael: Right, so I would go to a company like GoDaddy or Moniker.com to register it.

Jan: Yeah, and so you can go to GoDaddy, most likely, to register with all those forty. So, you would have already only to go to one party to register. However, in order to register during the sunrise, you need one code from the Trademark Clearinghouse.

Michael: Oh, all right. So, if there were no Trademark Clearinghouse, I would have to go to the registrar and prove forty times or prove once if, let's say, GoDaddy offered all forty of those new top-level domains. I would have to prove to GoDaddy that I am the rightful trademark holder and deserve to register it during the sunrise period, and GoDaddy would be the one to make the assessment. Is that correct or no?

Jan: Well, let's say that yes, in the past, you would have to go through forty individual procedures to make it happen, because they have it also all organized it in the same way historically. Right now, the way it is organized is centrally and consistently in the same way for all top-level domains.

Michael: Okay.

Jan: So, you would have to come to the Clearinghouse first. We, the Clearinghouse, would do the validation. You would get a unique key. And with that unique key, you can go to your registrar and register as many as you want during the sunrise.

Michael: So, then I would just basically checkout and enter my key. The registrar might go to the ICANN Trademark Clearinghouse database that you are running and verify that my name and company match the key, and they will allow me to purchase it.

Jan: Yes.

Michael: So, that seems like a much more streamlined process for registering domains.

Jan: Absolutely. Yeah.

Michael: So, handling the sunrise period with a code assigned by the Trademark Clearinghouse is the first purpose of the Trademark Clearinghouse, and you said there was a second helpful benefit too.

Jan: Yeah, that is what they call the so-called Claim Services. Now, Claim Services is not something totally new. Organizations, in the past, have offered this. There is, however, something new in this Trademark Clearinghouse that is that this Claim Services work both proactively and retroactively after the registration of a potential domain name. So, let me make it simple again.

Michael: Okay.

Jan: Let's say I want to register 'Coca Cola', because I think it is a great name, but I do not have a trademark for it, but I still think I should register it. I go to whatever top-level domain and I register it, but 'Coca Cola' is in the Clearinghouse; now, suddenly, me, as a potential registrant, I get a notification that somebody owns the trademark 'Coca Cola', that a trademark is registered within the Clearinghouse, and that I could potentially infringe somebody's rights. Now, from a legal point of view and certain jurisdiction that might be very important, because if I want to proceed anyhow that means that I acknowledge that I am doing something wrong beforehand. Now, I can still register if I think and still need to go (Unclear 12:56.4), I can still do it.



Now, if that happens, then Coca Cola will get a notification that I registered this trademark, and so they will have, immediately, the knowledge that somebody has done this. Now, what happens then? Well, that is up to them. That is part of what their IP strategy will be, and they could then use the other rights protection mechanisms that ICANN has in place to take down that domain name at that point.

Michael: Like the UDRP or the URS. The Uniform Rapid Suspension of a domain name or the Uniform Dispute Resolution Policy of ICANN to try and get back the domain. Okay, so just so I understand this, Jan, the Claim Services. Basically, if I register or my mom registers her trademark, and then you go to register her trademark in .APP after the sunrise period. So, you go to GoDaddy, for example. There are lots of different registrars out there, and I do not mean to keep using GoDaddy as an example, but they are a large registrar.

Jan: (Unclear 13:56.7) names. Whatever.

Michael: You go to GoDaddy to register my mom's trademark .APP. You will receive a notice before you actually purchase it on-screen, and I have a sample text of what this is. I am not sure if it is final, but I want to educate people on what this is. It will say to you, "You have received this trademark notice because you have applied for a domain name, which matches at least one trademark record submitted to the Trademark Clearinghouse. You may or may not be entitled to register the domain name, depending on your intended use and whether it is the same or significantly overlaps with the trademarks listed below. Your rights to register this domain name may or may not be protected as non-commercial use or fair by the laws of your country."

Jan: Correct.

Michael: So, basically you are telling them: "Hey, there is a trademark here. You better do your due diligence before you register it."

Jan: Absolutely, and that is new. As far as I know, that is very new in the market. And that, I think, is a very powerful tool too, because it will hopefully triton certain. (Unclear 14:56.6).

Michael: Yeah, right, exactly. But it assumes that most people know what trademarks are and that there could be some sort of repercussion - consequence - of them registering the domain name.

Jan: Correct.

Michael: And that is a big assumption, because most people do not understand those legal issues.

Jan: Could be, yes. I think so, but then again, I mean you cannot solve everything with this mechanism only. That is why I think ICANN has a whole set of rights protection mechanisms in place. And let's be honest, the UDRP was not that difficult. The URS is going to be even more easy. I think the two bugs that will be coming into play will be quite sufficient, or will be already very useful for trademark owners to protect their rights. And if there is really something that goes beyond that, well, most likely, in that case, you will probably need a court case to define.

Michael: Okay, so if I file a trademark with the Clearinghouse, it does not prevent others from registering the domain name. I tried to look for an example. Apple Computer. They have the registered trademark for Apple, but it is also a registered trademark in the United States for Tangshan Yannan Shovel-Making Company. Go figure. It is just in a different industrial class than computer manufacturing. So, clearly, if Apple and this Shovel Company do not register the domain for Apple.app in the sunrise period, assuming that happens, then anybody can register it when it becomes open for general availability and I could go register it, claiming that I want to use Apple in some entirely different industrial class. And that would be my right, but you are notifying me that, hey, some other trademarks have been filed with the Trademark Clearinghouse that I may be infringing upon. And so, I understand how all of that works and that there may be more than one case of people submitting their trademarks to the Clearinghouse. So, if both the Shovel Company and Apple Computers submit their trademarks to the Trademark Clearinghouse, who gets the right to register the domain name in the sunrise period?



Jan: Okay, so I thought you were going to ask in general, but you are taking the first period that we come across - the sunrise period. In that case, first of all, if they both have an official registered trademark, there is no other option; they will both be in the Trademark Clearinghouse and they could both potentially apply for a domain name. At that moment, the registry's sunrise policy will come into play, and so, in that case and that is not different from in the past, it could be that there is a specific policy because of the fact that they are related to the intention of the top-level domain, potentially at .GREEN and whatever you register during the sunrise has to do with whatever is green in the world. I am just giving an example.

Michael: Sure.

Jan: On the other hand, it could be that they say, "Okay, no. Everybody who has a trademark has the right and we are going to have an auction afterwards. The one who bids the most will get the domain name." So, it is actually the registry that will define the policy in the end.

Michael: Okay, makes sense. So, you need to go to those registries and look at their terms and conditions or email them if it is that important to figure out how their policy is going to work when the sunrise period opens up.

Jan: Yeah, correct.

Michael: Okay. What does a trademark owner need to provide to the Clearinghouse in order to prove that they have a registered trademark.

Jan: Yeah, so I am not going to go through all the levels of details of fields that we have. For that, I suggest people to go to Trademark-Clearinghouse.com and there is a lot of information on there, but pretty much it comes down to proving who you are and that you have a registered trademark, and where you have registered that and for what category you have registered it, and some supporting documentation. I mean there are two options. Either we can find back your trademark in any of the online databases that are available or, if not, you need to provide us a trademark certificate from that specific jurisdiction. If you want to participate in sunrise, there is something additional that you have to provide, and that is what we

call the Proof of Use. And also, there, I prefer referring to ICANN's website or to our website to give a level of detail. You need to provide a picture, proving that you are actually using this trademark.

Michael: Now, most trademark offices require a Proof of Use in order to get the trademark. Does it seem like it is duplicative? Are you requiring work that has already been done in the past to prove to get the trademark?

Jan: Well, it might not always be exactly the same, so it might not be totally the same and it is not the case for all jurisdictions either. So, there are quite a lot where it is not. And obviously we wanted to provide a service and ICANN wanted to provide a service, which is consistent across the globe and which is similar for everybody in the world, so I think the same rules need to apply for everybody. That is why everybody will also have to apply and have to provide all of the information.

Michael: Okay. So, maybe that leads into my next question. When I was doing my preliminary research, it seemed that most patent and trademark offices provide a free automated programming interface (API). I think that is what the acronym stands for. A computer interface for bulk data downloads. So, I was wondering why people need to register their trademarks with whatever office in whatever country they are functioning, but then also register with you. Why couldn't the Trademark Clearinghouse just go to every single one of those patent and trademark offices and pull down all the trademarks, and then just notify people, when they are making their registrations, "Hey, the domain your registering has a trademark in Japan, in the United States, in Belgium," and give the warning that way?

Jan: Well, absolutely, but I think you are discussing the ideal world. I mean first of all, yes, that would mean for all global trademarks in the world. First of all, I think I give my personal opinion here. I mean there is no official answer to this, but I mean if you think about it, what do you do then with the countries where it is not the case?

Michael: Where there is no automatic download? So you are eliminating those.

Jan: Yeah, and those are the emerging markets. The Internet was all about also giving the emerging markets equal opportunity. So, I think there is a little bit of that, so giving everybody the same opportunity to register. On top of that, I think you still need to give the choice to the trademark owner on whether or not he wants to do this. Perhaps not everybody who has a trademark is interested in having a domain name. I mean a lot of local trademarks, and then again differences in jurisdictions, and other jurisdictions you have automatically protection on your company name and so on. And then, thirdly, I mean it is easy to say let's have just the connection with all the trademark offices in the world, but I would like to see the person that was going to help us negotiate on all of contacts to do that, all of the legal implications. I mean in this case, we, as as the Trademark Office, yeah, we are also legally responsible for what we do, which is why we ask people to choose to submit, to acknowledge that they have done this, and so on and so on. So I think there are much more implications if you analyze it and just say, "Hey, let's quickly make a connection with the database and everything." So, it is not that easy.

Michael: Sure, nothing is ever that easy. And so, as a layman looking at this issue, I can see why you made the choice everybody has to register rather than trying to go to every office and connect in. And what if you cannot connect in with the office in an emerging nation who does not have the money to provide an API, or the funds or resources? Whatever it is, but then you are eliminating them from being competitive in the space. But likewise, most of those companies in emerging markets do not have the funds in order to register their trademarks in the Trademark Clearinghouse either, because you charge a fee to get into the Trademark Clearinghouse. Aren't you similarly doing something to eliminate those people from being in there if they wanted to protect their marks?

Jan: Yeah, of course. It is not us that have decided this.

Michael: Who did decide that, Jan?

Jan: ICANN together with the global community. I mean there have been almost two years of negotiations, and ICANN meetings, and special committees that have decided upon this. Let that be clear.

Michael: Okay. So, the fact that there is a price and the pricing that was set, which I want to ask you about next, was set by ICANN and the global community that participated in setting the structure for it.

Jan: The pricing was set by us in, let's say, communication with ICANN, because obviously there is a lot of investment that we had to do to set this up. There is a lot of work that we still have to do. We have to validate a trademark every year. That was the decision of the global community to do so. There needs to be a lot of security technically that is built around it. All of these unique codes need to be hardware code protected and so. I mean I can continue for a long time.

Michael: Yeah. No, do not get me wrong. I realize that there is a lot of work in doing what you are doing. My only question is from my eighty-year-old mom, who has got a trademark and trying to figure out why she needs to pay money to prevent other people from getting access to it or paying money to get access to it early, but let me come back to that. So, the Trademark Clearinghouse - will it only work for the new top-level domains that are coming out going forward from today or a couple months back when the Trademark Clearinghouse went live, or will it work for .COM, .NET, .ORG, and all the other 240+ top-level domains that are currently out?

Jan: Let's say, at this moment, the way it is defined, it is only for the new gTLD program, but it is our hope. I think we are talking to ICANN about it. Perhaps, in the future, there might be reason to also use the Trademark Clearinghouse for the other ones and perhaps there might be a push to do that. At this moment, I can tell you that we need all the time to get up and running what is required at this moment, and then there is definitely, after that, potentially a possibility to discuss.

Michael: Yeah, because once you have the system in place. Like I own a trademark in the United States for DomainSherpa, and so if somebody goes and registers DomainSherpa.pl, in that country where I cannot register it because, let's say, I need to be in that country in order to register it; have a mailing address in that country. If your Trademark Clearinghouse becomes available to the prior CCTLDs or other top-level domains, then if they were

to register it on GoDaddy or another registrar, then they might be notified: "Hey, there is a registered trademark for DomainSherpa in the United States. Be warned."

Jan: Yeah, so I think definitely, the more we can give value to this Trademark Clearinghouse, the more people in the end will think that it was a good idea to do so. But yeah, for that, again, there needs to be some more discussion. ICANN potentially could think it is a good idea, but we are not there yet. I think everybody is very busy with getting the new gTLD program actually finally started; in our case, to get the Trademark Clearinghouse fully up and running. As you know or may know, we have been asked to develop some additional things because they have asked us now to also allow UDRP cases into the Trademark Clearinghouse, which means that attached to that specific trademark, you can add fifty labels based on UDRP cases or court cases so that you can actually have already a limited form of variations based on your trademark. That is something new. It was decided a couple of months ago, but we are still implementing it right now. So, I think, yeah, there is definitely more.

Michael: So, I was not aware of that, so let me give an example. I believe that Mike Berkens has just posted a summary of a UDRP case where Range Rover, the car company, was trying to get a domain name like RangeRoverExcursions or something like that of a company in Australia that offered Range Rover excursions. And they tried to get that domain name back, and I believe, if I am correct, the domain owner did not even respond back to the UDRP and ended up losing the case. So, for example, if Range Rover were to file for a trademark, which they would be completely entitled to, in the Trademark Clearinghouse and they passed your review process, they would have in there, but then also this UDRP case, where they lost a UDRP for their trademark being used in some other service form, would be attached to it automatically, or is that only on the request of Range Rover?

Jan: No, they have to apply for it again. So, first of all, well, they should have won the case. I mean if they have not won the case, then they cannot apply for it of course. On the other hand, the other one who does not have a trademark; I would assume that they would have a trademark for Range Rover Excursions then, and that they would be able to register. I do not think

they would have won the UDRP case without having that trademark, I assume. I am not that much of an expert.

Michael: Sure, neither of us are.

Jan: Not for that specific UDRP case I mean, but I mean yes, assume Range Rover would have won it, then they could have attached that label.

Michael: Okay, so they then pay money to attach that winning UDRP or court case decision to their trademark in the Trademark Clearinghouse.

Jan: Yes.

Michael: And what is the benefit to Range Rover in doing that?

Jan: Well, mostly, or in a lot of cases, there is more abuse on variations of trademarks than on the trademark itself. So, it could be of interest to you. And again, it is up to you whether or not you want to do that. I mean overall, you have to see that, with this new changing landscape, companies will have to redefine their IP strategy or trademark strategy on the Internet anyhow. I mean they have to look at the tools that are available. They have to look at what is coming their way. What top-level domains are actually coming up and when are they coming up? It is not as simple anymore as before. They will have to really evaluate their own strategy.

Michael: Yeah, definitely. I am evaluating my strategy as well. I own four different trademarks, and I use DomainTools to monitor when domain names are registered in all the different TLDs that they register in. I see domain names being registered in different country codes and I know it is going to cost me two thousand dollars to file a UDRP case against that registrant to prove that I am the owner of the trademark, and I have to decide. Is it going to be an operating website? Are they going to try and siphon traffic off of my brand and off the value that I have built into the company using a different country code or a different extension? And are they going to use it in bad faith? I need to evaluate all those things, or do I just let it go and hopefully it will drop in a year or two when they do not want to pay the renewal fees.



Jan: That is part of your strategy. I mean we had, for a long time, Deloitte.co registered and it was not Deloitte, but there was also nothing on there that could associate the website with Deloitte, so we left that for a quite a while before we took action actually.

Michael: Yeah. So, the Trademark Clearinghouse - is it only for registered trademarks, or what if I put an application in for a trademark? Will it work for that too?

Jan: Well, again, the whole categorization is also on the website. It is registered trademarks. It is trademarks protected by statute or treaty, and court-validated trademarks. Those are the main three categories. The way it is described in detail, again, so just go to ICANN and to our website. You get the full-blown legal description of it there.

Michael: Okay, but it is registered trademarks. Go read the description on the Trademark Clearinghouse - Trademark-Clearinghouse.com - website.

Jan: Yes, correct.

Michael: How much does it cost to file a trademark with the Trademark Clearinghouse roughly?

Jan: So, that depends on how you come to us. There are two ways. You can come directly and register yourself as a trademark owner, and then it will be \$150 for one year or \$145, so subsequent for two years. And then you can go indirectly, and then it will be the cost that you will pay indirectly. It is the case and it is not a secret that we are foreseeing bigger discounts for our resellers. And the reason for it is, and it is proven already with what see coming in right now, well, resellers are used to doing this - help their clients in actually making sure that the information is correct, and we also have less work with trademarks that they submit. Right now, with the trademarks that are coming directly from trademark owners, we have, on average, I think 30% to 40% in mistakes. Now, we are foreseeing that we, as a service, re-correct data once, not ourselves. I mean we let people know if they have submitted something that is wrong - (Unclear 33:45.0) an address that does not make sense, a typo, or whatever - and then they are allowed to re-correct

that for free once. We have now, in the first few months, on our own, let's say, initiative have done this more than once because we really saw that people were struggling. It is an easy administrative process, but for some reason it still goes wrong sometimes, and so that is where the price difference comes from. And most likely, I do not have the exact price for resellers, but it could be that you pay a little more, but you also get a service for it in a lot of cases and you get a lot of help, and we see good things being done by them.

Michael: Okay. So, my company owns five trademarks in the United States. Registered trademarks in the United States. If I want to go register all five of those, I can hire an attorney, I can go to one of your partners who get a discount in filing with you, or I can go directly to you and file if I feel like I am up for it and provide the information. But those five, if I wanted to register for three years of the Trademark Clearinghouse, it would cost me over two thousand dollars. So, that is a lot of money for a small business owner to pay. The alternative is to do what? What can I do if I am a small business owner and I do not want to pay \$2000 to \$2500 to monitor my trademarks? What is the equivalent process that I can follow if I do not want to use the Trademark Clearinghouse?

Jan: Well, let's say, first of all, in the past, if you then wanted to register your trademarks on a domain name, you probably would have paid much more. You could have paid ten, twenty, or thirty thousand, because you had to go each time for a separate validation. Yes, you are paying this now, but you are paying it for all of the ones that will come out, and it could be that this year or next year, depending on how you look at it, there will be two hundred to three hundred coming out and you will not have to pay three hundred times of validation.

Michael: So, why is that? The validation takes ten thousand dollars, if I want to register DomainSherpa.app at GoDaddy when it comes out.

Jan: No, in the past, if you had to go through the sunrise procedure each time individually, then you would have had to pay a validation each time. Now you only have to pay it once. I still believe that with the service that we deliver, the \$100 to \$250 that we charge, with the extra correction, the help that we give, and the support that we give, is a fair price for the service that

you get. Yeah, you have to pay. That is correct, but that is because of the new gTLD program too in a way. I mean it is the change in the, let's say, Internet that also has cost. People have to take action at this moment. But the change also means opportunity. So, yeah, it is a knife that cuts on both sides.

Michael: It does. So, I read on the Trademark-Clearinghouse.com website, and I keep saying the domain name over and over again because TrademarkClearinghouse is owned by somebody else. I think a legal firm. So, I just want to make that clear and that is why I keep repeating the URL. You recommend three years of monitoring. You do not recommend one year. Why do you recommend three years to start with?

Jan: Well, we actually allow for five years too.

Michael: Okay, but I thought I read that you recommended specifically at least three years. It could have been in the frequently asked questions (FAQ) or something. I could have read it on another site, so please correct me if I am mistaken.

Jan: I will have to verify it again. To be honest, Michael, I have to verify it again. We recommend. I am not sure whether we did. It does make some sense. I mean especially for resellers. I mean you only have to submit your information once, and as from then, the next three years you are (Unclear 37:46.9). We do everything after than, and there is nothing you will have to do anymore after that. You have your code. Okay, it will be a resubmit, but that is it. And I think it gives you peace of mind for a couple of years. It could be that it takes five years and then you can register it for five years, but that is already further away. Right now, I think around 40% does register for more than one year. That is what we see in practice.

Michael: Okay. And if I am trying to maximize my bang for my buck, does it make sense for me to wait until I know when the first new gTLD is going to be offered and, maybe a month before, then register so I can maximize my year or three years?

Jan: No, your year only starts to count on the first day of the first sunrise of the new gTLD program. So, let's say that is going to be end of October. If

you register now or if you have registered already two months ago, you have not lost a single day. Even more, in case of like the resellers and so on, they have given additional discounts for being early. We have a delay of twenty days. We have been able, at this moment, to be much faster. A lot of the trademarks, especially in the last two months, have been validated within one day or even two days. But obviously, let's say twenty days before and everybody suddenly starts submitting, we cannot guarantee, so you do have to calculate the twenty days to be one hundred percent sure.

Michael: Okay, makes sense. And if I go to the Trademark-Clearinghouse.com/Agents page, I can see a list of agents that includes Melbourne IT, 101 Domain, Gandi.net as well as a bunch of legal firms - the people who can submit trademark applications into the Clearinghouse. Am I understanding that correctly?

Jan: Well, I assume if they operate, they need to operate as an agent. They will have to operate as any other agent. I mean if you go directly, all of the information needs to be sent directly to you, and we verify that actually. And in some cases, if we have doubts, we might even call you up to make sure that we are certain. And we had cases where people allowed their representative to do it in their name, and we can do it.

Michael: Okay. So, Jan, we were just technically cut off. We lost your picture, so we are going to overlay your still image on your side of the video for now and maybe it will come back in. But from what you were saying, people can either submit their trademarks themselves using your process or they can use an agent that is listed on your website. Those agents have bulk discounts and maybe they are going to provide some of that bulk discount to the end users, but they are providing services to help you get your trademark into the database more efficiently and effectively.

Jan: Yeah.

Michael: And then the third option is to just use a third party - their own IP attorney or whomever - to submit their trademarks in. And there will be no discount on the application fee.

Jan: No, but I mean you have to see, and that is what some of them try to do. We cannot send that information to that person. I mean there are different terms and conditions for, let's say, those official agents. So, if you do that, we will have to send everything to you. If you share your username and password with somebody else, I cannot prevent that of course.

Michael: Yeah, sure.

Jan: Overall, we do see that a success ratio with, let's say, our agents is much higher than with some of the people that come directly.

Michael: Okay. I have heard that there is a limitation to the number of trademarks that can be recorded through the Trademark Clearinghouse through a payment on a single credit card. Is that true?

Jan: Yes, that is correct. That is correct, and there are some specific reasons why we did that. I will have to look up again exactly, but it had to do with certain costs that we had and to make sure, because the credit card payments can also be revoked and so, so we do not want to have that. It happens for a whole bunch, and then suddenly it is not the case. And the sunrise is ongoing already. If credit card companies would tell us that within 24 hours, that would be great, but that is one of the reasons why we did that.

Michael: Got it. And I think we discussed it earlier in the interview, Jan. If I file a trademark today with the Clearinghouse, how long does the process take once I submit everything to you?

Jan: Well, right now, I think we have a turnover rate currently for some trademarks 24 to 48 hours or less than a week. Officially, we have twenty days to do it, so that is what our (Unclear 42:54.3) requires.

Michael: Okay, makes sense. And the Trademark Clearinghouse is operational right now. People can watch this show and then go to Trademark-Clearinghouse.com and process their own trademark. Is that correct?

Jan: We are operational since March to submit your trademarks, and the actual Claim Services and Sunrise Services are going to become available I

think somewhere in September, beginning of October at the latest. So, I think somewhere in the beginning of September, people will also get their what they call SMD File - the public key that they are getting to actually record trademarks or domain names. One of the things that you also see in the industry is that certain organizations, like Donuts, will allow people to actually block domain names in a very cost-efficient way if they can prove that they have an SMD file from the Trademark Clearinghouse. So, that is something that I did not mention. It is not under the initiative of the Trademark Clearinghouse. It is a private initiative in this case, but it obviously already gives additional value in being in the Trademark Clearinghouse and it gives also an easy protection because, as you know, Donuts is very successful in obtaining TLDs and they will have quite a lot of them.

Michael: Right. So, the last general top-level domain that came out was .XXX, which was an adult top-level domain, and they did something similar, where if you had a trademark you could block other people from registering that trademark .XXX.

Jan: Correct.

Michael: And so, you are saying that something similar will happen with at least Donuts as a registry, and maybe other registries and top-level domains as well in the future.

Jan: I think so, yes, absolutely.

Michael: Okay. So, let's say the first top-level domain comes out in September and becomes open for Sunrise Period. And I assume that most people are going to submit their trademarks right up until that point. They are going to learn that through regular media - the public media - that a new top-level domain is going to become available and they are going to learn about the process. Maybe they will find this video and maybe they will want to go register. You are going to get backlogged the closer we get to September. If it is going to take you twenty days to review it, they pretty much need to get their application in right now; otherwise they will lose their sunrise benefits for the first TLDs to come out. Could that be the case?



Jan: That could be the case if you are late and, yeah, you cannot participate. Absolutely.

Michael: Okay, so the sooner they get it in, the better.

Jan: Yeah. And the moment we have information about sunrises, and ICANN obviously too, we are going to try to notify our clients about what is coming their way so that they know, but that is absolutely the case. You are correct.

Michael: Okay. And then the process that trademark owners can follow, if they are stuck in that case, is to then go directly to the registrar and prove that they have a trademark and try and get access to the Sunrise Period directly rather than going through the Trademark Clearinghouse.

Jan: No, they are not allowed.

Michael: They are not allowed.

Jan: No, ICANN policy requires that they have to go through the Trademark Clearinghouse during the first sunrise that is set up with the registries.

Michael: Ah. So, for all new general top-level domains coming out, individual trademark holders, like myself. I cannot say, "Forget the Trademark Clearinghouse. There are only two top-level domains that I really care about. I am just going to go directly to the registrar and prove that I want access to the Sunrise Period. I am the rightful trademark holder and I want access." I have to go through the Trademark Clearinghouse.

Jan: Yeah. There is currently still some discussion on going around certain types of top-level domains, where they say, "Well, it does not make sense to do this - yes or no," but either way, the trademark record from the Clearinghouse will always be getting priority.

Michael: Okay. All right, so then if I decide not to pay the \$2500 for Sunrise Period access and I take my changes and a domain name does get registered, either in the sunrise or in the regular/normal registration process to the

general public, my only alternative then is to file a UDRP, a URS, or a court action to try and get the domain name back.

Jan: Yeah, if somebody else has, I think so, yes. So, I mean it could be that some of the registries will be operating subsequent sunrise procedures. To be honest, I do not know all of the sunrise policies of all of the new TLDs that are coming up, but at least the first sunrise should be for records in the Trademark Clearinghouse. That is for sure.

Michael: Oh, so you are saying there might be more than one Sunrise Period.

Jan: There might be. I mean with .XXX, for instance, there were also different ones. With .EU, at the time, there were also different ones, where they have some kind of a cascade system, where they prioritize first real trademarks, then companies names, and then whatever rights that there could be. That all depends on the sunrise policies that registries have set up.

Michael: Wow, all right. So that is a lot to manage for small businesses.

Jan: Yes, but then on the other hand, I mean small businesses might also not operate on a global level, and they might be operating more and they might more be interested in what is coming up. For instance, here, in Belgium, we have a top-level domain coming up for Brussels, for Flanders, and for Ghent. Well, it could be that small businesses say, "Well, now that we have a top-level domain, which is clearly identified by where we operate. We are only active in Brussels," for instance. "Well, I do not need .COM or .NET, or whatever anymore. Let anyone else do on there, because my clients know that I am in Brussels and they will go and look for Brussels." It could be. I think the Internet will change. I do not think we know all how it is going to change, but I think the only assurance we have is that it will change.

Michael: Yeah, good advice. The only things that you can rely on are death, taxes, and changes to the Internet. If you have additional questions for Jan, please post them in the comments below this video and we will ask Jan to come back and answer as many as he can.

## DomainSherpa.com: The Domain Name Authority

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Jan Corstens, Partner at Deloitte. Thank you for coming on the show, sharing your knowledge about the ICANN Trademark Clearinghouse, and thanks for being a Domain Sherpa.

Jan: Thank you. Bye.

Michael: Thank you all for watching. We'll see you next time.

**Watch the full video at:**

<http://www.domainsherpa.com/jan-corstens-tmch-interview/>