

Preparing for .Wine and .Vin

David E. Weslow

David Weslow is a partner with the law firm of Wiley Rein LLP in Washington, D.C. His law practice is focused on litigation and transactions involving trademarks, copyrights, and domain names, and he has developed particular expertise helping businesses navigate Internet legal issues. For more information, contact Weslow at 202-719-7525 or dweslow@wileyrein.com.

IN OCTOBER 2013, THE first of up to 1,400 new generic top-level domains (gTLDs) went “live” on the Internet. New gTLDs have continued to launch on a rolling basis since that time and include domain names of potential interest to wineries and winegrape growers, including .buy, .direct, .organic, .recipes, .shop and the controversial .wine and .vin.

Although numerous government representatives, industry associations, businesses and individuals have expressed serious concerns regarding the proposed launch and operation of gTLDs for .Wine and .Vin, the **Internet Corporation for Assigned Names and Numbers** concluded its most recent meeting on Oct. 16, 2014 and all indications following this meeting are that the applications for .wine and .vin will be allowed to proceed.

The new gTLD program is administered by ICANN and, as of press time, more than 350 of the up to 1,400 new gTLDs have launched. While ICANN first contemplated the new gTLD program in 2005, gTLDs are still launching nine years later—the consequence of a gTLD application window in 2012. The proliferation of new gTLDs arises from the fact that ICANN placed very few limits on the types of words or “strings” that could be reflected in new gTLDs, and the vast majority of new gTLD applications have been approved by ICANN. Similar rules will likely apply in connection with the next application window, which could open as early as 2016.

Each new gTLD registry operator has the ability to issue a nearly unlimited number of “second-level domain names,” such as *winebusiness.online*, *bordeaux.wine*, *organic.vin*, or *domainlaw.guru*, and has wide discretion in setting prices for domain names. Moreover, the domain name registration, reservation and anti-abuse policies vary a great deal among new gTLD registry operators, with some registries adopting strong policies to limit online abuses and intellectual property infringements and other registries electing to take a more laissez-faire approach after the initial sale of a domain name.

Certain government representatives and wine industry related associations have long advocated that ICANN require the potential operators of .wine and .vin to agree to implement heightened anti-abuse practices. Although it remains possible that ICANN or governments will force the applicants for .wine and .vin to adopt enhanced consumer protection mechanisms for .wine and .vin domain names corresponding to geographical indicators and wine related brand names, such action appears less likely following the conclusion of the most recent ICANN meeting. Fortunately, ICANN has mandated that all new gTLD registry operators implement certain minimum brand/trademark protection mechanisms as part of the gTLD program.

While gTLD registry operators may certainly implement additional enhanced brand and consumer protection mechanisms, and pre-existing options, such as claims under U.S. federal law and existing domain name procedures, remain available, implementation of at least the following three new mechanisms is required:

- (1) A “Sunrise” registration period of at least 30 days, allowing eligible trademark owners to obtain pre-launch, second-level domain name registrations. Unfortunately, trademark owners are not automatically notified of sunrise periods; they must monitor the rolling launch of gTLDs to determine if and when it is appropriate to take action.
- (2) A “Trademark Claims” service providing notice to would-be domain name registrants of corresponding trademark rights, and to relevant trademark owners if such domain names are registered, for at least the first 90 days that the new gTLD is operational.
- (3) A “Uniform Rapid Suspension” procedure (URS), providing a means for obtaining the suspension of infringing domain names within about 15 days without the necessity of initiating a court action for cybersquatting. A trademark owner may invoke the URS if it can establish by clear and convincing evidence (in only 500 words and three exhibits) that: (a) the domain name is identical or confusingly similar to the subject trademark; (b) the domain name owner has no rights or legitimate interests in the domain name; and (c) the domain name has been registered and used in bad faith. If the trademark owner has recorded its trademark with the Trademark Clearinghouse (discussed below), this will satisfy the URS requirement of establishment of trademark rights. A successful URS complaint will result in suspension of the domain name for the term of the domain name registration.

To qualify for the Trademark Claims service and Sunrise registrations, and to obtain an evidentiary benefit in a URS proceeding, a trademark owner must first affirmatively record relevant trademarks in a newly-created “Trademark Clearinghouse.” Trademarks that have been registered with the **U.S. Patent and Trademark Office** or other intellectual property offices are not automatically imported into the Trademark Clearinghouse. Eligible trademarks for the Trademark Clearinghouse are marks that: (1) are registered; (2) are protected by statute or treaty; (3) are validated by a court or a judicial proceeding; or (4) “otherwise constitute intellectual property” in any jurisdiction. Trademark Clearinghouse recordation fees start at \$150 per mark per year, with discounts available under certain circumstances when marks are registered in bulk.

Although the scope of the effect that new gTLDs will have on Internet commerce and search engines is not yet entirely clear, the availability of a mere fraction of the to-be-launched gTLDs has already transformed the Internet landscape. On one hand, new gTLD domain names offer wineries and winegrape growers new avenues through which to engage consumers and provide marketing professionals with new tools for creative advertising. On the other hand, sophisticated cybersquatters and Internet scam artists, as well as accidental cybersquatters, have begun to register scores of new domain names in hopes of profiting handsomely from the use or sale of the domain names.

Given the number of new gTLDs that will be going “live” in the next one to two years, wineries and grape growers should carefully review their trademark/brand portfolios to identify trademarks to be recorded in the Trademark Clearinghouse. In addition, it is appropriate to develop or refine trademark protection strategies and protocols in relation to new gTLDs, such as identifying which of the applied-for gTLD strings presents the highest risks, establishing targeted strategies for defensive domain name registrations, and setting appropriate budgets and protocols for prioritizing online infringements. **WBM**

Understanding the Mobile Movement

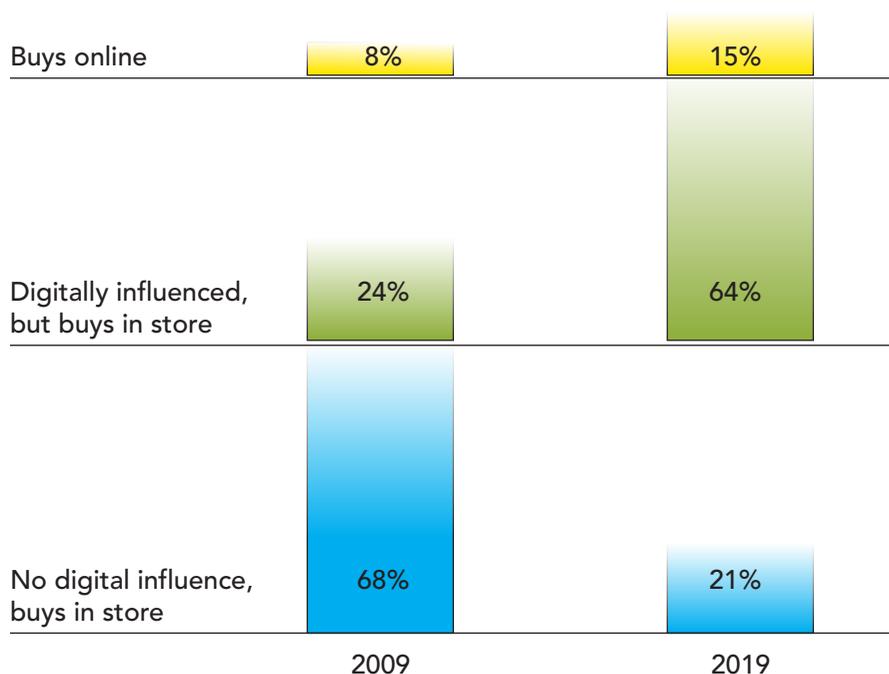
...CONTINUED FROM PAGE 83

online, visit a store to try the product and then purchase it online, and 17 percent visit the store first then purchase online, according to **Ipsos Mediact**. **Adobe** statistics show that 71 percent of mobile purchasing decisions are influenced by emails from companies.

“Mobile users will do anything and everything desktop users will do, provided it’s presented in a usable way,” said **Brad Frost**, a mobile web designer, speaker, writer and consultant.

Information compiled from **Forrester**, **Morgan Stanley**, the **U.S. Census** and **eMarketer**, however, show that the percentage of shoppers who buy online will only increase from 8 percent in 2009 to 15 percent in 2019. The greatest gain in those 10 years will be in the number of digitally influenced shoppers.

The rise of the digitally-influenced shopper



Sources: Forrester, Morgan Stanley, U.S. Census, eMarketer

The main barrier to mobile online shopping is usability. If the shopping experience is not optimized for mobile buyers, 30 percent will abandon the transaction. Some consumers even go so far as to expect the mobile transaction be easier than if they were on a traditional desktop. The kicker: **Latitude** also reports that 61 percent of people have a better opinion of a brand if the brand offers a good mobile experience.

Top 15 Smartphone Apps

Total U.S. Mobile Media Users, Age 18+ (iOS and Android Platforms)

	Top 15 Apps	Percent Reach
1	Facebook	71.6
2	YouTube	53.7
3	Google Play	51.7
4	Google Search	47.5
5	Google Maps	46.2
6	Pandora Radio	45.9
7	Gmail	41.0
8	Instagram	30.9
9	Yahoo Stocks	30.0
10	Facebook Messenger	29.5
11	Apple Maps	27.5
12	Yahoo Weather Widget	25.5
13	iTunes Radio/iCloud	21.7
14	Twitter	21.6
15	Google+	21.5

Source: comScore Mobile Metrix (July 2014)

Mobile Users Open to Marketing

Joseph of Nielsen believes that marketers can do more to take advantage of the mobile platform. Mobile ads, as a percent of a company’s total digital ad spend, remain low: 46 percent of marketers report that mobile makes up just 1 to 10 percent of advertising budget, 23 percent reported it constitutes 11 to 20 percent of the budget, and only 31 percent reported it used up more than 21 percent of the budget.

According to Nielsen, 13 percent of Americans are mobile ad-friendly shoppers. More than half of smartphone and tablet owners said they are willing to receive ads on their phones in exchange for services, and 24 percent said they shopped on their mobile devices in the past year. This does not mean that users are open to marketing phone calls or texts. Pew Research shows that 68 percent of cell owners receive unwanted marketing calls, and 39 percent receive unwanted texts

Of advertisements on mobile devices, 54 percent are seen in an app, 40 percent on a browser, 27 percent on a retailer website and 23 percent on a video website. **WBM**