

Upcoming Availability of Internationalized Domain Names Offers Brand Expansion Opportunities While Posing Cybersquatting Risks

Legal Alert
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Garvey Schubert Barer Legal Update, November 11, 2009.

A recent decision by the Internet Corporation for Assigned Names and Numbers (ICANN) will allow Internet addresses to contain non-Latin characters, including non-alphabetic scripts such as Japanese and Greek, languages based on right-to-left scripts such as Arabic, Hebrew and Chinese, and Latin characters utilizing accents and other symbols. This change will present an opportunity for companies to establish an expanded Web presence using foreign language alphabets and characters, but will also pose a substantial risk of cybersquatting and other malicious activities.

On November 16, 2009, ICANN will begin accepting applications from nations and territories for Internationalized Domain Names (commonly known as "domain name extensions," such as .jp for Japan and .ru for Russia) that use characters from their national language. ICANN will review these applications through a "Fast Track Process" and, if approved, these nations and territories will then be allowed to accept registrations directly from businesses and consumers for registration of domain names and extensions consisting of non-Latin characters.

This action is expected to bring billions of new users online, many of whom do not use and are unfamiliar with Latin characters. Currently, no domain names are comprised entirely of non-Latin characters. By allowing domain names to be written in foreign language character sets, ICANN hopes to make the Internet more accessible to people who do not use Latin languages and scripts.

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As this change could bring about a significant expansion of the reach of the Internet and business Web sites, companies may wish to register variations and foreign language equivalents of their current domain names. Since foreign translations of English-language or Latin-character trademarks are not accorded automatic trademark protection, registration of foreign language equivalents serves not only to create a more meaningful Web presence for businesses among consumers who are not familiar with Latin characters, but also to protect a brand against cybersquatting, trademark confusion and malicious activities including holding domain names hostage in order to sell them to the highest bidder, phishing and hosting pay-per-click sites.

The United Nations World Intellectual Property Organization reported a record 2,329 cybersquatting complaints filed under the Uniform Domain Name Dispute Resolution Policy in 2008. Since trademarks used as domain names are not automatically accorded trademark protection and since ICANN does not play a role in monitoring registrations for cybersquatting or other similar activity, defensive domain name registration is an important affirmative step companies should take to combat this often costly practice.

If you would like more information, have any questions about this topic or would like our assistance in registering new domain names, please contact us.