



The Internet is about to become a lot more complicated: the upcoming next-generation of top-level domains will pose challenges for businesses while affording new branding opportunities.

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Protecting your brand against competitors, imposters, and counterfeiters has always been very important to companies in the tobacco industry. In fact, brand recognition and awareness may be a company's most important asset in the crowded tobacco marketplace. In the digital age, a significant component of developing and protecting a brand is through Internet websites.

Frequently, companies register Internet domain names that incorporate or use their brand names, such as www.marlboro.com, which is the domain name for Philip Morris USA's website for one of its cigarette brands. This domain name incorporates the federally registered trademark, Marlboro, with the familiar generic Top-Level Domain (gTLD) ".com," which appears at the end of every internet address. Right now, there are only 22 gTLDs (such as .com, .org, and .net). In the next year, however, the Internet Corporation for Assigned Names and Numbers ("ICANN"), the non-profit

organization that oversees domain names, will begin issuing many new and different gTLDs. As of the close of the application period in May, ICANN had received applications for over 1,400 new gTLDs, including applications for domains such as .store, .shop, .buy, .inc, .click, .deal, .news, .app, and even .lol. ICANN has posted all the requested domain names at newgtlds.icann.org. Over the course of the next year, ICANN will be reviewing the applications, with the first new gTLDs slated to become available in mid-2013.

While this broad expansion of gTLDs may benefit businesses in many ways, it will also offer more ways for cybersquatters, Internet impostors, and competitors to attack, undermine, and/or leach off of legitimate brands. Thus, the issuance of new gTLDs requires companies to be even more vigilant to safeguard the goodwill and business reputation reflected in their brands. While none of the currently-proposed new gTLDs are directly related to the tobacco industry, there are

several steps that companies in the tobacco industry should consider taking to protect their brands and to avoid infringing other companies' intellectual property rights:

- Register your brand name, your product names, and your domain names as trademarks.

A trademark is any word, name, slogan, symbol, or device used by a seller of goods to identify or distinguish his goods from those sold by others and to indicate the source of the goods. Trademarks can include words, names, symbols, and slogans, as well as sounds, shapes, motions, scents, and other non-visual marks.

Trademark rights give the trademark owner the exclusive right to use its mark in a certain geographic area in connection with the goods or services that it identifies. A trademark helps consumers identify the source of origin of the goods or services and also represents the goodwill that a business has built up in its business over time. If you have built up goodwill in your brand name or product name or a slogan or product packaging, you want to prevent a competitor from using a similar mark on inferior goods and services that may damage your reputation and business. An Internet domain name may incorporate a trademark or may be a trademark in its own right.

Trademarks automatically obtain protection through exclusive use. The first person that uses a mark in a geographic area has superior rights to that mark in that area. Federal registration of a trademark with the U.S. Patent & Trademark Office (USPTO) enhances protection by increasing the geographic scope of your rights and providing greater remedies if someone infringes on your mark. Before seeking a federal registration, a company should have an experienced trademark attorney conduct and analyze a full trademark search to determine whether the trademark is available for use and can be registered.

The best way to prevent cybersquatters from stealing your trademark, whether using the existing gTLDs or the new gTLDs, is to register the mark. A trademark owner can seek cancellation or transfer of a domain name that is identical or confusingly similar to its registered trademark through a claim under the Anti-cybersquatting Consumer Protection Act (ACPA), in federal court, or

■ **Consider whether one of the new domains is right for your company.**

Right now, it's unknown how popular the new gTLDs will be. Once they are available, it may be worthwhile for your company to register a domain name in a gTLD that is relevant to your business. For example, if you are a product seller, you might want to register domain names under the .shop or .buy gTLDs.

➤ **The impending issuance of new gTLDs underscores the importance of protecting your intellectual property. Trademarks and domain names are often central to a company's brand recognition and awareness, particularly in the tobacco industry.**

through an arbitration proceeding under the Uniform Domain-Name Dispute-Resolution Policy (UDRP) established by ICANN.

In addition, operators of the new gTLDs will be responsible for implementing certain mechanisms to protect trademark rights, and ICANN plans to create a trademark clearinghouse to act as a central repository to authenticate and validate trademarks used in the new gTLDs. By registering a trademark, it will be far easier to enforce your rights in your brands and other trademarks. Again, it is a good idea to register both your company name and your company's domain name.

■ **Review the list of proposed new gTLDs to make sure that none are confusingly similar to your trademark.**

While most of the proposed new gTLDs are either generic terms or the names of identifiable companies, like .aetna, .abbott, and .microsoft, some may possibly be very similar to your existing brand. ICANN has established procedures for filing comments on gTLD applications or for objecting to proposed gTLDs. The time for objections, however, is only a few months and so fast action is required.

Businesses should also consider a general gTLD like .web or a gTLD associated with a particular industry like .sports or interest area like .fishing. The possibilities are endless, and businesses must balance the cost and potential confusion of numerous domain names with the desire to reach a wider internet audience.

■ **Incorporate a trademark strategy into your product development process.**

It is also important for a company to avoid unnecessary infringement of others' trademarks. By conducting "clearance searches" of potential product names and advertising slogans, a company can avoid the costs of changing new products late in the development process and the potential of costly litigation. A thorough trademark search looks for similar marks that have been registered or are pending with the federal government or any state government, are in use, but unregistered.

■ **Consider an audit of all your trademarks, patents, trade secrets, and copyrights.**

Most companies deal with intellectual property issues on a case-by-case basis, resulting in a constant game of "catch-

up" and often leaving gaps in the company's IP portfolio. Intellectual property audits are useful tools to enable a company to "get their arms around" their intellectual property assets, identify gaps in their portfolios, and identify areas needing additional focus and development. An intellectual property audit looks at all of a company's potential trademarks, patents, copyrights, and trade secrets and constructs a plan to properly manage and protect those assets.

An audit can also help a company ensure that its business partners are properly using and protecting the company's intellectual property and can keep a company from infringing other businesses' intellectual property. Intellectual property audits are especially helpful in the event of a merger, acquisition, or sale of a company or in any financial transaction involving intellectual property, such as when a company's assets are used as collateral for a loan. In addition to identifying and protecting a company's intellectual property assets, a company can use an audit to establish procedures to watch industry publications, news articles, industry trade shows, and other sources for potential infringing activity.

THE FINAL WORD

In sum, the impending issuance of new gTLDs underscores the importance of protecting your intellectual property. Trademarks and domain names are often central to a company's brand recognition and awareness, particularly in the tobacco industry. With the forthcoming expansion of gTLDs, cybersquatters, Internet impostors and competitors will have even more ways to attack, undermine and/or leach off of legitimate brands. Thus, companies in the tobacco industry should act now to register any unregistered trademarks and domain names and make sure their IP portfolio is adequately protected. ■

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