

## Trademark Duplication Analysis

An issue that has arisen in the past is whether and, if so, the extent to which, holders of trademarks have felt it necessary to register those trademarks as domain names in new TLDs in order to prevent others from doing so. There have been a number of studies of the extent to which holders of major trademarks have engaged in such “defensive” registrations and we present the results of our own analysis of this issue below. However, in evaluating the results of these studies, it is important to note that not all instances of duplicate registrations are necessarily “defensive” in nature. In particular, a trademark holder might register the same mark in multiple domains in order to increase the probability that it will be found through user searches, a consideration that has become increasingly important as the number of domains has grown.<sup>1</sup> 52% of registrants interviewed by Nielsen gave as one of the reasons for registering duplicate domain names “To help ensure my site gets found in searches.”<sup>2</sup>

Moreover, some registries offer a service through which a trademark owner can block others from using its marks without the need to purchase the domain name itself. For example, Rightside offers what it describes as “a cost-effective one-step, registry-wide solution to protecting your client’s trademarks against cybersquatting...with our Domain Protected Marks List (DPML)” as an alternative to having “to defensively purchase trademarks and trademarks +

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<sup>1</sup> Consider users that search for web sites by guessing Internet addresses. As the number of TLDs increases, finding the “correct” website by guessing becomes more difficult and, on average, the number of required guesses is substantially increased. Faced with this fact, one would expect that some “guessers” would use search engines more frequently than in the past. However, some registrants may still choose to register in several TLDs in order to reduce the number of guesses that a user must make in order to find them.

<sup>2</sup> Nielsen, *ICANN Global Registrant Survey Wave 2*, August 2016, (*Nielsen Registrant Survey*), p. 13.

terms on every TLD....”<sup>3</sup> Similarly, Donuts notes that its “Domains Protected Marks List (or DPML) protects trademark holders against cybersquatting at a fraction of the cost of defensively and individually registering the terms across all Donuts domains.”<sup>4</sup>

Nonetheless, 51% of the respondents to the Nielsen registrant survey indicated that they engaged in duplicate registrations “To protect my brand or organization name” and the same percentage gave as a reason “To keep someone else from having a similar name.”<sup>5</sup> Thus, it appears that “defensive” registration is a not insignificant phenomenon, apparently because the costs of challenging registrations by others can be considerably greater than the costs of registering their marks in multiple domains.

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<sup>3</sup> <https://rightside.co/registry/dpml>, viewed on September 21, 2016.

<sup>4</sup> <http://www.donuts.domains/services/dpml>, viewed on September 21, 2016. According to domainname.com: “Three of the largest new top level domain registries has [sic] created a new domain name blocking tool. Many clients prefer to avoid defensive registrations but these services offer some economies of scales and are worth considering for key brands. The service is offered by three new gTLD providers; Donuts (covering 172 TLDs) Rightside (covering 36 TLDs) and Minds & Machines (covering 16 TLDs) The blocking tool allows trademark owners to block their marks and related terms, at the second level, in all supported new gTLDs, for one fee per registry. The service is designed to be an economical way for trademark owners to protect their rights from cybersquatters. With the block it is not necessary for trademark owners to take out defensive registrations in each of the three providers TLDs In order to obtain a block, the term you want to block must be based on a trademark validated by the Trademark Clearinghouse.” <https://www.domaininfo.com/content/page/cost-efficient-domain-name-protection/>, viewed on September 28, 2016. Recently, Donuts announced a new version of its blocking service that will allow brand owners the opportunity to obtain blocking in return for a fee of \$10,000. [See “Donuts unveils enhanced trademark protection offering; expert urges lower cost options in next gTLD round, <http://www.worldtrademarkreview.com/blog/Detail.aspx?g=fa934d21-cfa7-459c-9b1f-f9aa61287908>, viewed on September 29, 2016.] **THIS FOOTNOTE SHOULD PROBABLY BE TRIMMED SOMEWHAT BUT I HAVE LEFT THE LONGER VERSION IN FOR NOW.**

<sup>5</sup> *Nielsen Registrant Survey*, op. cit.

## Previous Studies

Krueger and Van Couvering surveyed 1,043 brand names of Fortune 500 companies and found the following registration percentages: (1) 100 % in .com; (2) 76% in .org; (3) 84 % in .net; (4) 69% in .info; (5) 65% in .biz; and (6) 57% in .mobi.<sup>6</sup> Zittrain and Edelman found that, 6 months after open registration in .biz began, 91 percent of a sample of .biz domain names were also registered in .com, 63 percent were also registered in .net, and 49 percent were also registered in .org.<sup>7</sup> Strategies International analyzed the extent of duplicate name registrations and the presence of the same registered name holder between four of the then-new and three legacy TLDs and found that: “The statistics for .info indicate that only 11% of registrants hold the same name in .com, which suggests that .info has created significant new opportunities. With .biz, 42% of duplicate registrations appear to be registered to the same party, thereby suggesting that they are protective in nature.”<sup>8</sup> Katz, Rosston, and Sullivan analyzed the overlap in domain registrations for 200 of the top 500 global brands as ranked by Brand Finance and found (at 61) “that a very high percentage of them were registered in the different TLDs” that they examined.<sup>9</sup> However, they also found “a big range in the share of registered domains with content” and that the percentage of active sites “was quite low” except for .com. Finally, Halvorson et al, who

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<sup>6</sup> F. Krueger and A. Van Couvering, “An Analysis of Trademark Registration Data in New gTLDs,” Minds + Machines Working Paper 2010-02.

<sup>7</sup> J. Zittrain and B. Edelman, “Survey of Usage of the .biz TLD”, <https://cyber.law.harvard.edu/tlds/001/>.

<sup>8</sup> Strategies International, *Evaluation of the New gTLDs: Policy and Legal Issues*, July 10, 2004, Table 12 – Same Registered Name Holder in .com/.net/.org, at 102 It is important to note, however, that the authors point out that “The data...is based on an extremely small sample of only 100 names for .biz and .info.” This study was prepared for ICANN.

<sup>9</sup> M.L. Katz, G.L. Rosston, and T. Sullivan, “Economic Considerations in the Expansion of Generic Top-Level Domain Names, Phase II Report: Case Studies, December 2011. These domains were .com, .net, .org, .biz, .info, .mobi, and .us. This study was prepared for ICANN.

employ a variety of measures to identify matches of registrants between .com and .biz, found “at least some degree of a match for around 40% of the [biz-com] pairs [they] could assess.”<sup>10</sup> Using what they describe as “stronger indicators” they classified 11.6% of biz domains as “defensive.”<sup>11</sup>

### **The CCT-RT Analysis**

We, together with the Analysis Group, used data from the most recent “round” of gTLD entry to analyze the same issue. Specifically, we began by identifying a number of trademarks for which one might expect some degree of “defensive” registrations together with the identity of the registrant. The data that we analyzed were a 25% random sample of trademark holders that were obtained from a database administered by Deloitte that contains all recorded trademarks in the Trademark Clearinghouse Database. Identities of registrants were obtained from the Whois domain registration database.<sup>12</sup> The trademark strings that we analyzed were limited to verified or corrected Latin text strings in the Trademark Clearinghouse. Matches were identified as those involving an exact match in accordance with ICANN’s matching criteria where the registrant was identified as the trademark holder associated with the registered string based on an approximate text comparison between registrant and trademark holder names.

Using these data, we determined: (1) whether each of the trademarks in our data was registered by the trademark holder in least one legacy gTLD; (2) whether the same string was registered by the trademark holder in at least one new gTLD; and (3) for those strings that were

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<sup>10</sup> T. Halvorson, J. Szurdi, G. Maier, M. Felegyhazi, C. Kreibich, N. Weaver, K. Levchenko, and V. Paxon, “The BIZ Top-Level Domain: Ten Years Later,” in N. Taft and F. Ricciato (Eds.): PAM 2012, LNCS 7192, pp. 221-230, 2012, p. 228.

<sup>11</sup> Ibid.

<sup>12</sup> For more detail see J. Liu, G. Rafert, and K. Seim, *Independent Review of Trademark Clearinghouse (TMCH) Services Draft Report*, Sec. IV.

registered by the trademark holder in at least one new gTLD, the number of new gTLDs in which the trademark holder had registered the string. We found that 54% of the strings that were registered in a legacy gTLD were also registered in at least one a new gTLD. We also found that, of these strings, 3 was the median number of registrations in new gTLDs, That is, half of the trademarks that were analyzed were registered in 3 or fewer new gTLDs.<sup>13</sup> We also found that three-quarter of these strings were registered in 7 or fewer new gTLDs and that 90% of these strings were registered in 17 or fewer new gTLDs.

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<sup>13</sup> The mean number of duplicate registrations was 8 but statistic is strongly influenced by a small number of trademarks that were registered in a very large number of domains. For example, one trademark was registered in 406 domains.