

New Domain Names are Coming, and Present Opportunities and Risks

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On June 20, the Internet Corporation for Assigned Names and Numbers (ICANN) formally approved the program it has developed for creation of new generic top-level domains (gTLDs). The new gTLD program will expand the domain name system beyond the current 22 generic top-level domain names such as .com, .net, and .org, to potentially include just about .anything and .everything to the “right of the dot” as top-level domains. The new gTLDs will likely include generic and geographic TLDs such as .bike and .paris, as well as .brand registries that correspond to trademarks and company names such as .deloitte.

ICANN’s new gTLD program has raised a number of consumer and brand protection concerns over the many years that the program has been under consideration, including from members of Congress at a recent hearing of the House Judiciary Subcommittee on Intellectual Property, Competition and the Internet. (*House Subcommittee Scrutinizes Possible Domain Name Expansion*). ICANN has revised the proposed gTLD program guidelines on a number of occasions, and statements during the June 20 meeting made clear that ICANN’s leaders believe the organization has now successfully balanced the desire to expand the domain name system with the need to provide consumer and brand name protection mechanisms. While the propriety of the nature and terms for the new gTLD program will likely be subject to continuing debate for years to come, ICANN has now provided a firm timetable for the program, and organizations of all sizes should evaluate the potential implications of the program if they have not already begun to do so.

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Practice Areas

Intellectual Property
Trademark

New gTLD Program Details

The policies governing the new program are detailed in ICANN's 352-page gTLD Applicant Guidebook, which will govern the launch of the new gTLD program. While certain portions of the Guidebook are subject to continuing negotiations (most notably between ICANN and the Governmental Advisory Committee or "GAC"), many components of the gTLD program appear to be firmly settled. Not just anybody will be eligible for a new gTLD under the rules. Only established corporations, organizations or institutions will even be considered, and individuals, sole proprietorships or as-yet unfounded companies will be barred from applying.

Applications for the first round of new gTLDs will be accepted by ICANN from January 12, 2012 through April 12, 2012, and ICANN's application fee will be \$185,000. ICANN will post the public portions of all gTLD applications within two weeks of April 12, 2010 and it will then undertake a review of each application to determine whether the proposed gTLD is appropriate for approval. ICANN will initially assess each proposed gTLD for similarity to existing gTLDs and to determine whether the proposed gTLD will present new Internet security or stability concerns. ICANN will also evaluate the applicant organization itself to ensure that it will be able to properly handle the technical, operational, and financial responsibilities required to maintain a domain name registry. The applicant review will also include a review of the applicant organization and its officers, directors, and controlling shareholders for any past criminal or otherwise unacceptable behavior such as cybersquatting.

Results of ICANN's initial evaluation of the proposed gTLDs will be made public by ICANN in November 2012. Concurrently with ICANN's initial evaluation, there will be a procedure for filing formal objections to issuance of a new gTLD based on the following four categories: legal rights (including intellectual property rights), string confusion with another gTLD, limited public interest, or a community objection due to the nature of the proposed gTLD. It is anticipated that new gTLDs that are approved by ICANN, and not opposed by interested parties, will likely begin to "go live" in the first quarter of 2013. If ICANN adheres to the foregoing timeline, second-level domain names from the new gTLDs (such as tires.bike, locks.bike, etc.) will likely go on sale to the public in mid to late 2013.

Planning for New Domain Names

Many organizations have understandably adopted a "wait and see" approach to ICANN's new gTLD program over the last few years given the ongoing evolution of the gTLD Applicant Guidebook and the concerns that have been previously raised by national governments and other stakeholders concerning the program. However, it is now clear that the program is moving forward, and the Chairman of ICANN's Board of Directors has stated that the new gTLD program "will usher in a new Internet age." To avoid missing the launch of the "new Internet age" and the associated practical and legal implications, organizations of all types and sizes should begin to evaluate the new gTLD program. In particular, the following steps should be taken:

1. Consider whether to pursue a gTLD application. Given the significant business implications for pursuing or abstaining from both generic and branded gTLDs, and the costs associated with pursuing a new gTLD, discussions should include high-level executives of the organization.

2. Prepare an advance strategy for monitoring and, if necessary, responding to third-party or competitor gTLD applications through public comments and/or formal objections.
3. Develop and/or revisit the organization's strategy for Internet brand protection given the potentially astronomical number of second-level domain names that could be released when new gTLD's begin full operations in 2013. Existing Internet brand protection protocols may need to be revisited based on the rights protection mechanisms in the new gTLD program, and to realistically budget for such efforts.