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Watch This (Expanding Internet Domain Name) Space:

An Initial Report on the New Generic Top Level Domain Names

Preamble

The following FocusPaper provides a broad overview of ICANN's newly proposed procedure for the introduction of additional top-level domain names to the Internet. ICANN has produced explanatory papers which serve to aid a potential applicant's understanding of the implications of the new gTLDs and the process they must undergo (see, for example, the ICANN 'New gTLD Applicant Guidebook' now open for public comment through ICANN's 'Public Comment Forum' – to be commented on by the likes of INTA and other prominent contributing organisations by 8 December 2008). This FocusPaper is the first in a series which will follow (and provide relevant commentary on) the developments of the intriguing yet technically complex procedures being considered and employed to implement what is set to be the biggest and most revolutionary transformation to the Internet since its inception.

(A list of relevant acronyms and abbreviations used throughout this FocusPaper is included at the end of this FocusPaper to aid those interested readers unfamiliar with the relevant standard terms and the organisations with a role to play in the creation and/or implementation of the new gTLDs.)

Introduction

If you are a trade mark owner concerned about protecting your rights, Counsel advising a trade mark owner (or potential trade mark owner) or a business seeking an innovative way to expand, pay close attention. You should most certainly be aware of and have (at least) a general understanding of the variety of new generic top-level domains soon to become available.

A generic top-level domain – gTLD – refers to an Internet domain with a general address extension (as opposed to country code domains such as **.au**, **.uk**, and **.us**). Presently, users have a limited range of 21 gTLDs to choose from – names we are all familiar with such as **.com**, **.org**, **.info**, **.net**, **.biz**, **.mobi** and **.tel**.

However, with around 1.5 billion current Internet users and an ever increasing demand for Websites, the world is running out of available domain names. Accordingly, the ICANN

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Board has approved the introduction of a new range of gTLDs, based on policy recommendations developed by the GNSO Council in September 2007.

ICANN has dubbed the expansion as the biggest change in the Internet since it began. The following information is relevant not only to aspiring registry applicants seeking to apply for their own gTLD, but also to brand owners, Counsel to brand owners, legal and marketing staff and consumers alike.

Application Process

Applications for a new gTLD will be open to all public and private established entities anywhere in the world, provided they meet certain technical, financial and organisational criteria not yet finalised.

Applicants can propose and apply for a new gTLD string of **their choice**. Possible examples include **.sport**, **.love**, **.holiday**, **.McDonalds**, **.Sydney** and so forth.

Applications are likely to be accepted late first quarter 2009 and will be processed on a **first-come, first-served** basis.

ICANN recognises the fact that several separate entities may legitimately own an identical trade mark in a different jurisdiction. Accordingly, mechanisms will be put in place to resolve competing applications for the same gTLD string, including preliminary negotiation and comparative evaluation procedures, with the potential use of auctions as a last resort to settle any unresolved contests.

Objecting to a Proposed New String

If you are concerned about a proposed new gTLD string, it is sensible to consider lodging an objection to it. 3rd parties are given a limited opportunity to object to a proposed new gTLD string on the basis of one or more of the following available grounds:

1. A string must not be confusingly similar to an existing TLD or Reserved Name (e.g. .cm is confusingly identical to .com). ICANN has commissioned the development of an algorithm to help calculate the potential similarity between two gTLDs.
2. A string must not infringe the existing legal rights of other parties, although this may be limited to legal rights that are recognised or enforceable under generally accepted and internationally recognised principles of law (e.g. trade marks).
3. A string must not be contrary to commonly accepted legal norms relating to issues of morality and public order that are recognised under international principles of law.
4. A string may be rejected if an expert panel determines there is substantial opposition to it from a considerable segment of the community to which the string may be aimed (e.g. **.bank** by a non-bank entity).

The objection process is still in its formulation stage, however ICANN has indicated that they will assemble official Panels to review party submissions and render decisions.

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Implications for Trade Mark Holders

During the initial application stage, ICANN will implement an objection-based process whereby legal rights holders can object to a proposed gTLD string on the grounds that it would infringe their legal rights (see above, objection 2). One benefit of this process is that it may deter entities from applying for gTLD strings that clearly violate the intellectual property rights of others.

Further down the track, the new gTLD registry agreements will require the implementation of post-delegation dispute mechanisms to deal with claims of infringement occurring after a new gTLD string is up and running. While the exact dispute mechanisms to be used have not been confirmed, at a minimum, all new gTLDs must ensure that second-level registrations are subject to ICANN's existing Uniform Dispute Resolution Policy.

Opportunities and Challenges

The expansion of the domain name space creates a range of new opportunities for businesses to engage in brand expansion and innovative advertising and marketing models. It provides an exciting new avenue for consumers to find, contact, explore and interact with businesses. A new gTLD can provide a centralised place for Internet users to find all the information and resources on a particular subject of interest or organisation. Further, consumers can feel secure knowing that they are visiting an authentic and secure domain (this is particularly important to consumers who are making online purchases and transactions).

Conversely, the arrival of a further range of gTLDs could create a possible explosion in cyber squatting, phishing and online fraud, making further work for trade mark owners endeavouring to protect their intellectual property rights. The cross-boundary nature of gTLDs will necessarily result in disputes between legitimate owners of identical trade marks in several different jurisdictions. The extensive cost of proposing and applying for a new gTLD string (estimated at around US\$185 000) will rule out most businesses. Yet all organisations will be forced to rethink their advertising and marketing models to keep pace with the new and expanding Internet landscape.

Why Plan Now?

If you are a brand or trade mark owner, Counsel advising a brand owner or a service company working with a brand owner, the implementation of gTLDs will affect you.

The most significant aspects of the gTLD implementation to keep in mind include:

- that there is only a short window to prepare and preparation should be undertaken **now**;
- the first-come, first-served processing of the gTLD applications for registration means the most desirable gTLDs will be taken in the first round;
- due to the finite resources available to process the applications, subsequent rounds of applications for gTLDs are likely to be delayed;

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- ICANN does not have enough technical capacity to deal with all of the applications (there is a limited number of back end registry service providers with restricted capacity); and
- the window for 3rd party objection to a proposed new gTLD string will also only be open for a limited time.

Conclusion

Many believe introducing a new range of gTLDs is crucial to promote choice and competition in domain registration services. ICANN has been promoting these changes under the banner of 'Openness – Change – Innovation'. While the move certainly signifies a substantial change to the Internet landscape, the true impact of these changes is yet to be seen, and will depend considerably on the currently undetermined manner in which the implementation process occurs.

The proposed policy to guide the introduction of new gTLDs was created by GNSO with careful consideration of the views and interests of a wide variety of stakeholders. The new gTLD policy must balance technical, economic, legal, public policy, operational, ethical and other competing considerations. It is imperative to develop an allocation process for new gTLD strings that is straightforward and efficient, yet accessible and fair to all parties.

With the approval of the GNSO PDP by the ICANN Board of Directors, ICANN is now at a transition point, focusing on developing viable solutions to the GNSO recommendations. The implementation plan for the new gTLDs is, at present, far from final. As noted in the preamble to this report, ICANN has published an Applicant Guidebook and accompanying explanatory memoranda on their website for public comment before any final decisions are made. The absence of a final plan means many key questions cannot be answered at this time.

As ICANN has illuminated, the upcoming journey towards a more diversified and extensive Internet domain name space must be handled with great caution, transparency and wisdom, to ensure the ongoing stability, safety and prosperity of the Internet.

Thank you to Mandy Chapman and Elyse Gorman for their assistance with the preparation of this FocusPaper.

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List of Relevant Acronyms/Abbreviations:

gTLDs - Generic Second Level Domain Names.

GNSO - Generic Names Supporting Organisation.



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ICANN - Internet Corporation for Assigned Names and Numbers: A private, non-profit technical coordination body for the Internet's name/numbering systems which manages and co-ordinates the Domain Name System (**DNS**) to ensure each address is unique and all users of the Internet can find valid addresses. ICANN oversees the distribution of IP addresses and domain names, ensuring each domain name maps to the correct IP address.

INTA - The International Trademark Association: a not-for-profit membership association dedicated to support/advancement of trademarks and related intellectual property as elements of fair and effective national/international commerce.

PDP – Policy Development Process.