

WHITE PAPER

Preparing Your Brand for a New gTLD World



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Executive Summary

New generic Top-Level Domains (gTLDs) represent the next major milestone in the expansion of the Internet namespace. The effect they will have on domain portfolios and brand protection strategies is certain to be profound—and your brand needs to be ready.

After many years of debate, ICANN, the International Corporation for Assigned Names and Numbers, and its partners opened the new gTLD application period in January 2012. With close to 700 new gTLDs expected to launch over the next few years, now is the time to make sure you're prepared by reviewing the applied-for strings—including familiarizing yourself with the available rights protection mechanisms, like the Trademark Clearinghouse—your domain portfolio, your domain management policies and your brand protection strategies.

“Whether the introduction of new generic Top-Level Domains (gTLDs) is a great opportunity or a non-event, your brand needs to be ready.”

Background

Top-Level Domains (TLDs) are the portion of a domain name located to the right of the dot. There are 22 currently, the most well-known of which is .com. The new gTLD expansion opens the door for brands, community groups and entrepreneurs to operate their own TLDs, such as .bbc, .cpa and .fashion.

In June 2012, ICANN released a list of 1,930 new top-level applications, which represented approximately 1,400 new TLDs. Approximately 650 brands applied for a TLD in their own names. When awarded their “dot brand,” these organizations will be responsible for running a domain name registry in which other entities may be able to apply for a domain name, according to the criteria set by the registry. The guidelines for the New gTLD Program also allow registry operators to run their registry as a closed system, which some brands may choose to do, offering applications only to internal groups, such as marketingpromo.brand, or shop.brand or newproduct.brand. Other brands may open their registries to partners so that dealers, distributors and agents can have their own slice of Internet real estate that is closely aligned to the brand. Still, other brands may choose to open their registries to their distribution channels as well as fans, customers or the public at large who wish to show their affinity to a particular brand.

Entrepreneurs and community groups see opportunity in the expansion of the Internet namespace too, and the majority of the 1,930 applications for new TLDs came from these sources. In fact, more than 1,100 of the applications are generics, such as: .film, .fashion, .sports, .books, .clothing and even .sucks. These entrepreneurs hope to build businesses around offering the public the ability to register a domain name to the left of the dot,



Brand protection professionals must understand how generics may impact their brand's digital presence.

such as brand.fashion, brand.sports or brand.sucks. There were also 66 applications for geographic terms, such as: .nyc, .london, .osaka and .capetown. If your brand has a presence in any of those locations, does it make sense to register your brand in that TLD and forge a stronger link to that area?

In general, brand protection professionals need to understand how generics may impact their industry and their brand's digital presence. Do these generics represent an opportunity for the brand to reinforce its digital presence or open new web possibilities? Or, do these generics present another potential headache from cybersquatters who take advantage of powerful brand names?

Reviewing the Applications and Understanding Rights Protection Mechanisms Is Crucial

Although ICANN's comment and formal objection periods have passed, it's still important to review the TLD applications and prepare yourself for what's coming. Will you be submitting Sunrise Registrations in any of the generic TLDs? If so, you should be gathering your trademark data and submitting your marks into the Trademark Clearinghouse. Will you be submitting registrations for geographic TLDs like .africa or .berlin? If so, will any of them be registered using non-Latin character sets? What about defensive registrations? If you choose to go this route, will you point visitors to new sites or redirect them to existing domains? While there are still many unknowns, you should be familiarizing yourself with the applications and begin thinking about how these new gTLDs will affect your strategies.

So what recourse do brands have if after reviewing the

applications they find strings of concern? While you can't formally object, you can make use of the protection mechanisms that ICANN has put in place to protect brand owners.

As part of the New gTLD Program, ICANN has adopted a number of New Rights Protection Mechanisms (RPMs), including the Trademark Clearinghouse, Trademark Claims, Sunrise Registration and Dispute Policies, the URS (Uniform Rapid Suspension), the PDDRP (Post-Delegation Dispute Resolution Procedure), the RRDRP (Registry Restriction Dispute Resolution Procedure) and the Public Interest Commitment Dispute Resolution Procedure (PICDRP).

Time for a Domain Portfolio Review

In addition to reviewing the application list, identifying any concerns and understanding available rights protection mechanisms, now is the time to plan for how your domain portfolio will be impacted by the expanded namespace. Perhaps a particular TLD may open new business possibilities for your brand, especially if the TLD turns out to be popular with consumers.

Unfortunately, due to the very real threats of cybersquatters who prey upon well-recognized brands to steal traffic, the addition of so many new TLDs will require brands to reexamine the defensive portions of their domain portfolios. Today, the bulk of corporate domain portfolios largely consist of defensive registrations, averaging up to 80 percent of a portfolio. In the case of very large brands, defensive registrations can consume up to 99 percent of the total portfolio.

With these additional TLDs launching over the next two years, registering your brand defensively in each of them is not feasible



Brand protection professionals must be prepared to scrutinize the list of applicants to ensure that none of the proposed TLDs infringe upon their trademarks or could cause confusion in the marketplace.

from an economic point of view, even if all the new TLDs make perfect sense for your brand. Even if only 50 of the new TLDs prompt a defensive registration, if you have multiple sub-brands, products, promotions or other terms that are used as domain names, registering all those terms across those 50 new TLDs could impose significant new costs.

Now more than ever is the time to take a hard look at defensive holdings, decide which of your existing domain names are no longer necessary and purge them from your portfolio. Criteria for your purge may include domains which were registered but never used, products or services that were never launched, domains that are too long, domains with several hyphens, domains in highly restricted TLDs where costs are high and risk of cybersquatting is low, domains in countries where you may not be doing business and domain name variations that receive little or no traffic.

Make sure that you also evaluate domains that are no longer useful for promoting or protecting your brand. Semantic terms fall in and out of favor as the culture evolves and a term that was useful five years ago may no longer draw traffic or cause concern.

While casting a critical eye on your domain portfolio, make sure you keep the domain names that would incur high recovery costs if circumstances change and you find you need that name in your portfolio. Also, be sure to keep the domain names with a high likelihood of squatting.

Revisit Your Domain Management Policies

With 20–40 TLDs estimated to launch each month and the number of internal registration requests expected to increase, this is also a good time to review domain management policies. Make sure to identify the individuals who are permitted to request, approve and modify registrations. The latter point is especially important as we've seen cases in the last year of "hacktivists" targeting familiar domain names and modifying registration details to make a political or social point. If more than one person is granted the ability to make changes, it is still advised that a central point of contact is tasked with reviewing and approving all changes.

Be sure that you have clear policies, too, that determine when new domains should be registered. These conditions may include product launches and campaigns, the opening of new TLDs or the liberalization of country code TLDs (ccTLDs). Your policy should also provide guidelines on important variations, common misspellings or even combinations of terms, such as "brandshop" and "shopbrand" for domain names. Define any other special circumstances that should be addressed, including policies on Whois information that should be recorded as well as nameserver details, such as how contact information should be specified.

Another policy to be implemented revolves around the "locking" of domain names. By "locking" a domain name, unauthorized transfers or changes to the DNS cannot be made. It's no longer enough to secure your website; the domain name itself needs to be secure from hackers, too. If your domain registrar is not providing state-of-the-art domain name security, including registry locking, you may wish to move your portfolio to one who does.

And, finally, determining where you want your domain names to "point" is a critical decision which should be addressed. Should it resolve to a main corporate site, an e-commerce site or an HR site? Do your foreign-language domain names (IDNs) point to language-specific websites? Through the use of standard DNS solutions, you can easily obtain valuable statistics to help you

understand the traffic generated from defensive registrations. Information garnered will be useful in rationalizing portfolios, adding domains where needed or dropping domains with little or no traffic.

Reassess Your Brand Protection Strategies

This is also an ideal time to refresh the strategies you are using to protect your brand. At the most basic level, it's important to monitor for potential problems in all new gTLD registrations for improper use of brands, trademarks and slogans. Be sure to monitor questionable registrations for "go live" dates so that you can begin monitoring site content, too. By monitoring domain registrations, companies can proactively anticipate potential domain name abuse and take immediate action. This can include actively monitoring a site and associated traffic; filing a UDRP or URS; or challenging the accuracy of the Whois record if the name falls into the hands of a suspicious individual or entity.

With so many wide-open namespaces, cybersquatters and phishers will likely redirect Internet traffic in the new gTLD environment to fraudulent websites by registering domains that are confusingly similar to legitimate sites. If you don't already have established guidelines, your legal, brand protection and risk management teams should work together to put policies in place for detecting and investigating Internet-borne fraud sites or abusive and illegal domains that infringe upon your trademarks. Incorporate an active defense strategy that identifies administrative, legal and/or technical means to shut down rogue sites targeting your brand so that your customers do not fall victim to scams. Identify the most highly-trafficked abusive or illegal sites and prioritize them for enforcement. Have a

Conclusion

Now is the time to prepare for the launch of the new gTLDs. Review your current domain portfolio, update policies and guidelines and calculate the budget impact of the new TLDs in which you will want to register your brands. Departments responsible for domain registration budgets should expect that an increase in budget will need to occur, as close to 700 new gTLDs are expected to launch over the next two years. While many of the costs are not fully known, registration fees, Trademark Clearinghouse submission fees and the additional costs for policing and remediating domain name abuse need to be included. Ongoing rationalizing of your domain portfolio through periodic review is important to optimize value and contain costs.

While the flood of new gTLDs is expected to occur in 2014, not all registrars will be offering registration services in every new gTLD. Selecting a registrar that is committed to providing registration services for all new gTLDs (even those with stringent eligibility requirements) will be critical as the new domain name landscape promises to become significantly more complex over time. Working with a single registrar (as opposed to multiple registrars) will help to ease some of this anticipated complexity. Whether you find exciting new business opportunities in these new domain names or not, you will want your customers and prospects to find your site, rather than that of an impersonator.

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