

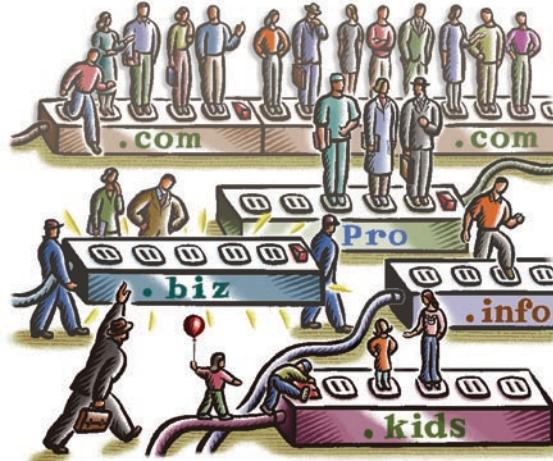
ICANN Expands Its Domains —By Theodora Blanchfield

Plus: An exclusive interview with ICANN President Paul Twomey

Let the scramble begin. This summer The Internet Corporation for Assigned Names and Numbers (ICANN), the non-profit organization that oversees the assignment of IP addresses and domain names, decided to allow up to 5,000 new generic top-level domains (gTLDs)—the part of an Internet address after the “dot.” Organizations and businesses will no longer be restricted to the 21 existing top-level domain (TLD) names, such as .com, .org, .net. Instead, they will be able to apply for top-level domain names—known as “strings”—in multiple languages and scripts, whatever is potentially the most valuable to them in reaching users or consumers. Organizations could also choose TLDs that identify them geographically or as members of an interest group: for example, radiocity.nyc, instead of radiocity.com. Country-code TLDs (for example, .uk or .de) already number 250, and are growing separately.

Multiplying TLDs was one reason for ICANN's inception in 1998, so the decision itself didn't come as a surprise. But the guidelines released by ICANN still leave much unknown—including the cost. (The fee for each new TLD is expected to be upward of \$100,000.) Yet ICANN says the new TLDs could be operational by mid-2009. One of the few protections for trademark holders is a sunrise period during which each TLD will be required to offer to trademark holders an opportunity to claim the names they have trademarked as well as similar names.

Some companies are taking a wait-and-see approach, saying that it all depends on what TLDs are registered. “For example,” says William Schultz, a trademark attorney at Merchant & Gould, “someone could register something you have a trademark for, but it's in a completely different field, so it's not competition.” He said that he advises his clients to plan on registering domains in relevant TLDs and not



worry about the other ones.

Some experts think that the entire expansion will pretty much fizzle. When was the last time you saw a .pro Web site? (That gTLD has been around since 2002.) “I think many businesses are going to ignore these new spaces,” says Sarah Deutsch, vice president and associate general counsel for Verizon Communications Inc. “Many of the other top-level domains that have been introduced have failed, so companies are [less likely] to go in and register their crown-jewel trademarks,” she says.

Certainly convincing the approximately 1.5 billion Internet users worldwide to alter their behavior online will be no easy feat. Rob Holmes, founder and CEO of IPCyberCrime.com LLC, a company that monitors brands online, doesn't think many “legitimate organizations” will steer away from .com and is doubtful that consumers will be willing to change.

There's certainly a lot of agita among trademark owners. “Companies have spent so much trying to develop their customers' search habits, buy domain name portfolios, work on search engine optimization and on search keywords,” says Gretchen Olive of Corporation Service Company, which works with

Here's Advice—Direct from ICANN

Karla Valente is director of the new generic top-level domain name (gTLD) program at the Internet Corporation for Assigned Names and Numbers (ICANN). She talked with *IP Law & Business* on how the program, which is still being refined, is likely to work. Brand owners need to pay attention to these considerations as they develop their online strategies, Valente says.

- Applicants for new TLDs must prove they have the organizational, operational, technical, and financial capability to maintain them.
- Each new TLD must have a registry operator to maintain an authoritative master database of all registered domain names. Each registry establishes its own set of rules.
- Applicants should be aware of the rules of each registry, including “sunrises”—periods during which brand owners can register domain names before the pro-
- cess opens to the public.
- During an application period, someone other than the brand owner could claim the domain name, so brand owners may want to make sure they get in first, although there will be an objection process.
- ICANN will *not* look at whether the proposed TLD is a trademark in any country in evaluating TLD applications.
- Nothing prevents a company from keeping its existing domain name registration.

—Philippa Maister

companies to help protect brands online. "They're very concerned about how much they're going to have to spend to implement new strategies." Deutsch of Verizon notes that "it will become very expensive to police your rights." Many brand owners share the opinion of IPCyberCrime's Holmes that ICANN is mainly interested in growing its own revenues through fees.

But some consultants and compa-

nies are intrigued by the new possibilities. Domain-name consultant Antony Van Couvering, whose Names at Work LLC is collaborating with companies hoping to start a TLD, notes that eBay Inc. could "do something like 'camera.eBay'" and turn the second-level domain space into a search function." Or movie studios could get together to register ".movie" and let a fan search for the Web site of the hot new film *Teen Romance* by typing teenromance.

movie into a search bar. Van Couvering also suggests the possibility of professionals forming a consortium to buy, for example, .seo, to show that they were specialists in search engine optimization.

But one thing is certain: Brand holders will need to pick and choose. "With the possibility of 5,000 new TLDs," says Schultz of Merchant & Gould, "there's no way to protect your trademark in all spaces." ■



Lots of Questions for ICANN's President

Paul Twomey, president and CEO of the Internet Corporation for Assigned Names and Numbers (ICANN), is overseeing the dramatic expansion of generic top-level Internet domain names that is scheduled for launch in mid-2009. In this interview from his office in Sydney, Australia, Twomey outlined his views on how the new system will work—and addressed some of the concerns of trademark owners about potential infringement and costs.

—By Philippa Maister

Q *Why did ICANN decide to introduce the new generic Top-Level Domain program?*

A One of ICANN's foundational principles is to increase competition and choice for registrants in generic top-level domains. We have done two rounds of experiments introducing competition and we have finished the policy process for a more liberalized regime. Competition gives more choice, more innovation, more opportunities to registrants to change the nature of the real estate available on the Internet.

Q *What advantages will the new TLDs offer?*

A Depends on who [is applying]. I think first of all it will give an opportunity to people who have an innovative idea to build a community. That might be an existing community, or it might be a particular string that they think people will find attractive.

A subset of that will be people who try to get domain names they think

compete with .com, in particular in North America.

We will also see people who have existing, established brands who are going to reinforce their brand through having their own TLD. That might be to reinforce it through e-mail usage or to control their own domain names for marketing purposes.

And there's clearly going to be a lot of interest in internationalized domain names with characters apart from English.

Q *How do internationalized domain names (IDNs), which use non-ASCII characters such as Chinese, Arabic, and Hindi fit in with TLDs?*

A IDNs are basically a subset of TLDs.

Q *What kind of dispute resolution process is being established to resolve disputes over trademark infringement? How will you address problems such as cyber squatting and*

"confusingly similar" registrations?

A We are still working through the objection procedures and the international arbitration we expect to use. We will learn from the universal dispute resolution process we have for domain names now. People will be able to make objections to a TLD string if they have an existing right or if they think a new TLD string is confusingly similar to their own. We will allow people to take that to an arbitrator.

We will appoint a dispute resolution provider for all registrations. Then, as you are applying for the string, people will have the chance during the process to object. We will make the string public, and people can look at that and decide if they want to object.

As far as typo squatters and cyber squatters, these TLDs are going to cost reasonable amounts of money. We think it will be in the six digits in U.S. dollars. I think there will be an economic incentive not to have a lot of speculation because it will just be too expensive.