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Historic Change to Domain Name System--What Your Brand Needs to Know

The organization that governs the Domain Name System, ICANN, voted this week to launch the new application process for an unlimited number of new top-level domains, despite lingering doubts and objections from trademark owners and others. This has been controversial, first, because many believe that ICANN has failed to justify the need for new top-level domains; second, because some fear that an explosion of new registries will threaten internet security; and third, because of the vast headaches it will cause brand owners who will face increased costs of monitoring and dealing with cybersquatting. ICANN's press release calls the development "historic" and "one of the biggest changes ever to the Internet's Domain Name System."

Some domains will be brands, such as .canon, although rumors suggest that not many brands have announced an intention to apply. Others who have announced intention to apply will be geography based, such as .berlin, .africa, and .london, or cultural/linguistic, such as .zulu. Others will be demographic, such as .gay or .fam, thematic or commercial, such as .eco, .sport, .ski, or .hotel. Community domains designed to operate for the benefit of a specific community are also permitted.

Here are the key questions we are hearing, and some answers:

1. Will someone register my brand as a top-level domain?

This is unlikely. The cost to apply to be a registry will be as much as \$185,000 in filing fees, although a recent modification allows huge discounts for applicants from developing countries. Applicants will need to show a large amount of technical expertise and capability to run a domain name registry. Those who do not will need to hire a service provider at great expense to run the system. Therefore, this will not be an escapade for the casual cybersquatters. In the unlikely event that someone applies to register a top-level domain that is closely similar to your brand, you will have an opportunity to oppose.

2. Should I register my brand as a top-level domain?

For many companies, the cost of doing this may not be worth the perceived value to the brand. You should plan to budget possibly as much as \$500,000 to get such a program up and running over the first couple of years. In addition to the filing fee, there will be consultant fees, attorney fees, and registry service-provider fees. If you are interested, Venable can assist with navigation of this process.

3. Will I need to deal with cybersquatters?

Unfortunately, yes. Once top-level domains are set up, you will need to take them into account and possibly modify your policing and registration strategy. For example, if you have defensive registrations, you may continue to buy your brand(s) as domain names unless and until the number of top-level domains makes

continue to buy your brand(s) as domain names unless and until the number of top-level domains makes this prohibitively expensive. There are no reports yet on how many entities plan to apply.

There will be sunrise periods reserved for brand owners before the registrations are open to the general public. There is supposed to be a trademark clearing house where you can register your marks once instead of having to submit paperwork for proof of eligibility to each separate registry. Venable can determine whether your marks are eligible and assist you with the registration process. All new top-level domains will be subject to a Dispute Resolution procedure, as .com and other top-level domains are now. On the other hand, new registries may be located outside the United States and thus not within reach of the U.S. Anticybersquatting Consumer Protection laws.

4. I am in the hotel, sport, or ski business. Will a competitor register .hotel, .ski or .sport and refuse to let me have a domain name registration such as myname.hotel?

It depends. The current draft Applicant Guidebook, which is still subject to amendment, provides that a registry may or may not have eligibility or use requirements. The agreement has to be negotiated with ICANN. As such, it is not possible to guarantee anything.

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