

New dots

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What does this mean for your business?

Previously the Domain Name System was defined by only 22 net address extensions or generic top-level domain names (“gTLDs”), including the most popular ‘.com’, ‘.net’ and ‘.org)’ and approximately 250 country code top level domains (such as ‘.ae’ or ‘.qa’).

A dramatic expansion of gTLDs is currently taking place. Since late October 2013, over 175 new ‘strings’ have been delegated by the Internet Corporation for Assigned Names and Numbers (“ICANN”), the non-profit organisation responsible for the global management of the domain name system. More than 1,000 new gTLDs are expected to be added in the next year or so. ICANN’s new gTLD program is intended to increase competition and choice in the domain name space.

Generally the new domain name extensions fall into the following categories:

- Brands (‘.mango’ and ‘.axa’ have been delegated and applications for the likes of ‘.ford’, ‘.apple’, ‘.samsung’ and ‘.etisalat’ have passed their initial ICANN evaluations)
- Communities (‘.democrat’, ‘.actor’)
- Geographic (‘.london’, ‘.tokyo’, ‘.berlin’ have been delegated; ‘.abudhabi’ and ‘.dubai’ are coming)
- Generic (‘.events’, ‘.rentals’, ‘.expert’, ‘.flights’, ‘.cool’).

ICANN has also approved the introduction of gTLDs in non-Latin script such as Arabic, Chinese and Cyrillic. Among the first of the new gTLDs to be delegated were the Arabic characters for “web/network”.

The expansion of net domains offers new opportunities for online identity building. Whereas previously domains were generally limited to the broad ‘.com’ or ‘.ae’ type country code, a business or organisation now can have a very specific domain name. If you are a florist, you can now have ‘.florist’. If you have a club, you can have ‘.club’. You can even be a ‘.ninja’ or a ‘.guru’ if you want.

Consequently, while the increase in the number of gTLDs is not expected to change the way the internet operates, it will likely change the way people find information on the internet and how brands and businesses plan their domain name space.

It may no longer be good enough for a business to limit its domain name strategy to a decision about registering with “.com” and the relevant country code for where it operates. Instead, proper domain name management will require planning and strategy as the new gTLDs become available. For example, from the newly delegated gTLDs, a fashion retail business may need to consider registering their brand with ‘.clothing’, ‘.boutique’, ‘.bargains’, ‘.shoes’, or ‘.luxury’.

Initially it will be tricky to determine which of the gTLDs will be the most commercially relevant. The 22 pre-existing gTLDs included ‘.biz’ and ‘.name’, neither of which have been commonly used.

Critics believe that the increase in domain extensions will lead to consumer confusion. However, most consumers already find their web destinations via search engines rather than by typing web addresses into browsers. Accordingly, the influx of new domain extensions will most likely increase reliance on search

engines. For businesses, it will be even more important to influence how Google, Bing or any other search engine ranks their web address in response to a search request.

Critics also claim that businesses will be subjected to unnecessary expense by having to register their name with each relevant new gTLD to avoid it falling into the wrong hands. A counter argument is that with so many alternative gTLDs becoming available to the legitimate brand owner, cyber squatters may find that locking up an extension does not create the same leverage as before when the options were limited.

To address intellectual property infringement concerns with the new gTLD program, ICANN has recently established new mechanisms to assist in protecting the rights of trademark owners.

The Uniform Rapid Suspension System (“URS”) is intended as an inexpensive and quick dispute resolution procedure for trademark owners experiencing clear cut cases of infringement caused by domain name registrations under the new gTLDs. If a complaint made under the URS system passes an initial administrative review, the operator of the relevant gTLD registry must lock the domain name in dispute. If the URS procedure results in a determination that the domain name must be suspended, the registry operator must implement the suspension. ICANN’s role is to ensure that the registry operator locks and suspends the domain name in accordance with the URS procedure.

Under the Trademark Clearinghouse (“Clearinghouse”), owners of trademarks that are registered, court validated or otherwise protected under the statute or treaty, can pay a fee and register their trademarks to a centralised global database for protection (see <http://trademark-clearinghouse.com>). Benefits of registering a trademark with the Clearinghouse include access to ‘sunrise’ registration for domain names for new gTLDs that match the registered trademark. This means that trademark owners have a period of at least 30 days in which to take up the new gTLDs before those domains are made available to the general public. The Clearinghouse will also notify a trademark owner if a domain identical to the registered trademark has been registered by another entity.

The Clearinghouse will issue a claims notice as a warning to applicants attempting to register a domain name that matches a trademark registered with the Clearinghouse. The claims notice appears to be an effective deterrent, since the Clearinghouse has publicly stated that it delivered over 500,000 such notices in its first year of operation. Of the queries for registration to which a notice was given by the Clearinghouse, 95% were subsequently not followed through to live registration.

If you are a registered trademark owner who has yet to record your mark with the Clearinghouse, it is not too late to benefit since many more new domains are still to be deployed.

WHAT SHOULD YOU DO?

If you are a business or brand owner you need to be aware that the domain name system is changing significantly, and as a result you should give proper thought and attention to how you plan and manage your domain name portfolio and your online presence. Do you want to have first mover advantage in registering your names with new gTLDs as soon as they become available? Will they just be new internet addresses for old content or an opportunity for innovation?

If you are the owner of a registered trademark you should also consider registering your trademark with the Trademark Clearinghouse to be able to take advantage of the protections that this mechanism provides.