Move Over, .com, .org and .net

As the domain name system expands, what opportunities await for businesses and consumers?

By Lori Schulman

n 2015, we alerted *E&P* readers to the expansion of the domain name system and what it would mean for the business community and the public at large (bit.ly/2xTYVTI). Consumers could expect to see domain names with extensions noting cities, such as .nyc, .london, and .paris, or brands, such as gucci, .audi, and .google. These extensions are known as "top-level domains," or TLDs. The idea behind the TLD expansion was to promote consumer choice, trust, and competition on the internet. The argument was that many "good" names were already taken and expansion would help foster innovation and creativity on the web. Communities, individuals, and businesses would no longer be confined to .com, .net, or .org. Instead, by investing in a new TLD, they could determine their own way of leading users to the wealth of information, goods, and services available online.

After a lengthy application process, the domain system has expanded from 22 domain name extensions in 2012, when the new TLD program application period opened, to more than 1,200 TLDs today. A new TLD application costs \$185,000, not including legal, technical, or other professional fees. An initial investment typically runs well above that figure.

Much has changed in the two years since the last article featuring TLD expansion appeared. Today, the new names are widely accessible to the public. How is the public responding? Is the program fulfilling its promise of increasing consumer choice, competition, and trust? The Internet Corporation for Assigned Names and Numbers (ICANN), the organization that oversees the domain name system, is asking these questions. Numerous reviews are underway to determine the effectiveness of the expansion and whether a new round of applications should begin.

So far, the jury is out as to whether the new domain name extensions will enjoy public acceptance and long-term success. The operators of the new domain names, known as registries, are learning how to effectively use and market the names so that the consuming public understands their purpose. The lengthy time frame between the application for and approval of a new domain name extension allowed forward-thinking applicants to develop sophisticated marketing plans, while others may have lost opportunities to execute their already-developed business models.

From the brand owners' perspective, the new domain name extensions are a mixed blessing. As new ways of marketing are introduced, so are new opportunities for

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Continued from page 30 online abuse, such as cybersquatting and phishing. According to the Dot Brand Observatory, 10 percent of the 600 dotbrand applications have been abandoned. The reasons include the delayed applica-

tion review period, the ongoing expense, and the absence of strong marketing or monetization plans. For the other 90 percent, emerging benefits include increased security for customers, more flexibility, and creativity in messaging.

The German auto manufacturer Audi AG is creating branded websites for its dealerships in Germany. Audi is also redirecting twitter.audi and facebook.audi to its social media pages. Health care providers can go to immunize.nyc to enroll in a public health registry, Google is using domains.google to sell domain names, and Barclays Bank's home page is now found at home.barclays. These are just a few examples that demonstrate the possibilities that new domain names provide to communities, businesses, and consumers.

As consumer protection is the cornerstone of trademark protection, it appears that consumers may be subjected to more fraud and abuse along with choice. Members of the business community, civil society, and governments are now trying to achieve an acceptable balance through ongoing ICANN reviews.

To read more about new TLDs, visit inta.org/Advocacy/Pages/Internet.aspx, newgtlds.icann.org/en, and dotbrandobservatory.com. ■

As senior director of internet policy, Lori Schulman serves as the International Trademark Association's primary representative and spokesperson engaging the Internet Corporation for Assigned Names and Numbers (ICANN) and other internet-related organizations, and will participate in the development of Association policies and positions on ICANN issues and on trademark issues relating to the internet. For more information, visit inta.org.

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