

Navigating the Internet's So-Called “Next Big .Thing”

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December 15, 2011



Webinar Agenda

- Introduction to gTLD process
- Recent updates
- Players and pitfalls
- Strategies for brand owners

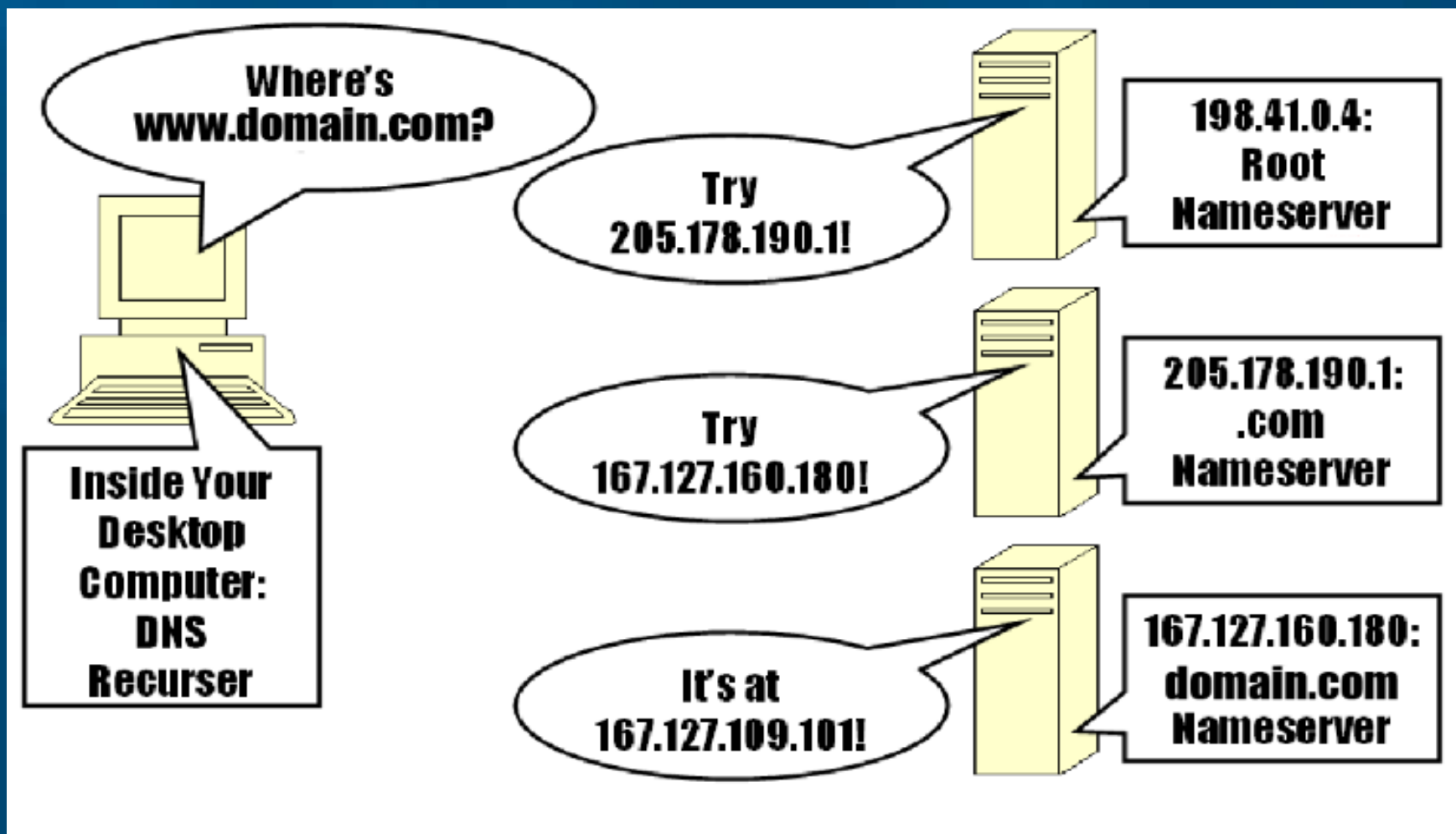
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Overview: Domain Name System

- Domain Name System (DNS)
 - Hierarchical Distributed Naming System for Internet (“Phone Book”)
 - converts human-friendly domain names to computer-friendly numerical addresses
 - 3 Conceptual Layers: Domain names, TLDs, Root Zone
- Top Level Domain (TLD)
 - Middle Level of DNS
 - Generic TLDs (gTLDs) and Country Code TLD (ccTLDs)
- Root Zone
 - Apex of DNS
 - Conceptually, [bannerwitcoff.com](#)[.root]

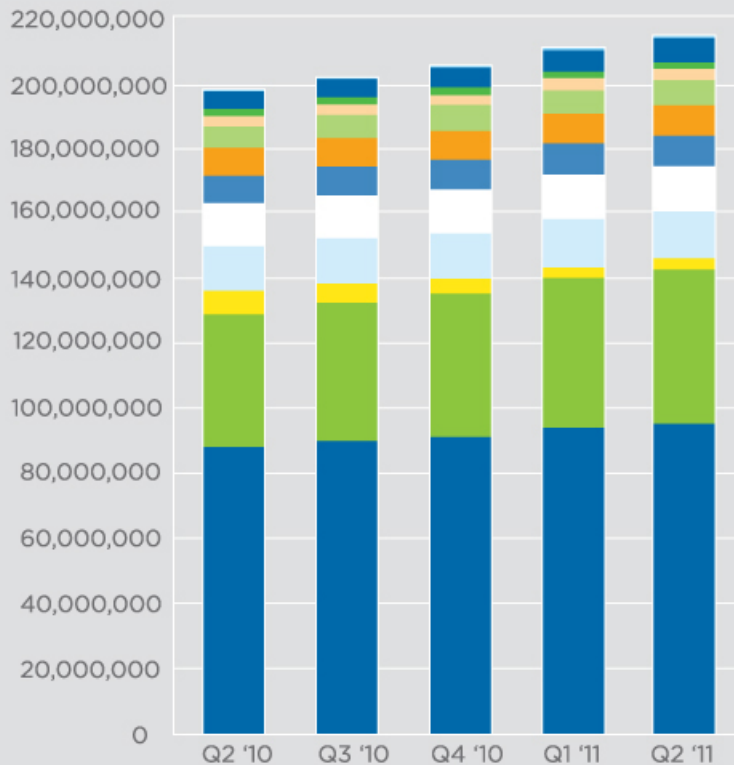
Overview: DNS Operation



Overview: gTLD History

- 1980s (pre-ICANN): .com, .edu, .gov, .int, .mil, .net, .org, .arpa
- 2000: Added .aero, .biz, .coop, .info, .museum, .name, .pro
- 2004: Added .asia, .cat, .jobs, .mobi, .tel, .travel
- 2011: .xxx
- Present: 22 gTLDs in “root zone” (Restrictive)

Total Domain Name Registrations



Source: VeriSign Domain Name Industry Brief

Overview: DNS Status

- 215m domain name registrations across all TLDs (e.g., .com, .uk)
- 17m new domain name registrations in last year
- Leading TLDs: .com, .de, .net, .cn, .uk, .org, .info
- 22 gTLDs and more than 250 ccTLDs

Overview: New gTLD Process Formulation

- 2005-2007: gTLD Policy Studied
- 2008: ICANN “Green Lights” Policy
- June 2011: ICANN Formally Approves Policy
- Sept. 19, 2011: Applicant Guidebook Released

Overview: gTLD Application Process

- Application Period: Jan. 12 to April 12, 2012
- Objection Period: May 1 to Dec. 1, 2012
- Extended Evaluation Period: December 1, 2012 to Apr. 30, 2013
- New gTLDs Operational Beginning late 2013
- Application Fee: \$185k
- Estimated applicants: 100-1000 (~500)

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Updates: Dec 2011 US Congressional Hearings

- Topic: Delaying new gTLD process
- Washington Post: “What’s the .Rush?”
- ICANN moving forward regardless
- Limited US control of Internet remains:
 - ICANN administers (at least until March 2012), but US Department of Commerce ultimately controls, root zone file
 - US presence of root servers, operators

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Players: ICANN

- Warm and Fuzzy
 - Saved the Internet from fracturing due to US hegemony
 - Giving businesses a choice
 - Multi-stakeholder process
- Dark and Evil (per Association of National Advertisers)
 - Registry and registrar payments comprise 93% of ICANN's 2011 revenue of \$69.3m
 - 500 gTLD apps at \$185k = \$92.5m
 - \$30m litigation risk fund
 - Conflicts of interest

Players: gTLD Applicants

- 190 Potential gTLD Applicants Identified (source: .nxt)
- Many More Likely Lurking
- Seek Four Types of gTLDs:
 - Brands
 - Generic Terms
 - Community
 - Geographic

Players: Brands: .canon

- March 16, 2010: Canon announces .canon gTLD interest

The screenshot shows the Canon Global website's news section. At the top, the Canon logo and 'Global' text are visible, along with a search bar and a 'Site Map' link. The navigation menu includes 'Corporate Info', 'Investor Relations', 'Environmental Activities', and 'News/Press Releases'. The breadcrumb trail reads 'HOME > News / Press Release > 2010'. The main content area features the date 'March 16, 2010' and 'Canon Inc.' The headline is 'Canon to begin acquisition of the ".canon" Top-Level Domain name'. Below the headline is the large text '.canon'. The article text begins with 'TOKYO, March 16, 2010—Canon Inc. announced today that it will begin the acquisition process for the top-level domain name ".canon," based on the new generic Top Level Domain (gTLD) registration system.' It then discusses ICANN's role and the company's goals. A sidebar on the left contains a 'News / Press Releases' section with a list of years from 2010 to 2002, and a 'Related links' section with a link to 'Notices'.

Canon Global

Site Map Search within Canon Global only Search

Corporate Info Investor Relations Environmental Activities **News/Press Releases**

HOME > News / Press Release > 2010

News / Press Releases

March 16, 2010
Canon Inc.

Canon to begin acquisition of the ".canon" Top-Level Domain name

.canon

TOKYO, March 16, 2010—Canon Inc. announced today that it will begin the acquisition process for the top-level domain name ".canon," based on the new generic Top Level Domain (gTLD) registration system.

The non-profit organization ICANN (Internet Corporation for Assigned Names and Numbers), which maintains and regulates the Internet's addressing system, has rigorously evaluated the current gTLD string of characters' societal value, utilization purpose, and use in an organization's operations. At its International Public Meeting held in June 2008, however, ICANN approved the relaxation and liberalization of the new gTLD system adoption rules. Following this meeting, a number of disputes arose surrounding whether the entry procedures were fair and adequate, and it was expected that the new gTLD system would commence registration application within 2010 at the earliest. The new gTLD system is expected to allow a company name, brand name, geographic region, or service type to be used as a gTLD within website and e-mail addresses.

Along with its expanding global business activities, Canon will continue to provide online information and services to its users, consumers, and other stakeholders, across the world's countries and regions. With the adoption of the new gTLD system, which enables the direct utilization of the Canon brand, Canon hopes to globally integrate open communication policies that are intuitive and easy to remember compared with existing domain names such as "canon.com." Canon has decided to begin necessary procedures to acquire ".canon" on the internet. Following approval from ICANN, Canon will begin the acquisition process.

News / Press Releases

- > [2010](#)
- > [2009](#)
- > [2008](#)
- > [2007](#)
- > [2006](#)
- > [2005](#)
- > [2004](#)
- > [2003](#)
- > [2002](#)

Related links

- > [Notices](#)

Players: Brands

- .aigo (Aigo Digital Tech. Co., Ltd.)
- .canon (Canon)
- .deloitte (Deloitte)
- .hitachi (Hitachi)
- .motorola (Motorola)
- .post (Universal Postal Union)
- .unicef (UNICEF)
- Not players: Hewlett Packard, Procter & Gamble
(Source: Bloomberg)

Players: Generic Terms

- .app
- .bank
- .bike
- .board
- .car
- .dental
- .earth
- .eco
- .ego
- .film
- .food
- .free
- .game
- .games
- .green
- .health
- .homes
- .horse
- .hotel
- .jewelers
- .kids
- .love
- .mail
- .money
- .movie
- .music
- .news
- .phone
- .poker
- .radio
- .real
- .restaurant
- .secure
- .sell
- .shop
- .site
- .skate
- .ski
- .sport
- .surf
- .taxi
- .tree
- .videos
- .web
- .wiki
- (others)

Players: Community

- .arab (League of Arab States)
- .gay (DotGay LLC)
- .irish (Dot-Irish LLC)
- .kurd (dotKurd)
- .scot (Scotnom Ltd)
- .zulu (Dot Zulu)
- (others)

Players: Geographic

- .africa
- .athens
- .basel
- .bayern
- .bcn
- .berlin
- .bkk
- .bog
- .boston
- .bourgogne
- .bud
- .california
- .chicago
- .china
- .dallas
- .dubai
- .egypt
- .eng
- .fra
- .hamburg
- .hong kong
- .iran
- .kölN
- .korea
- .london
- .madrid
- .melbourne
- .miami
- .moscow
- .mumbai
- .nyc
- .oman
- .palestine
- .paris
- .pdx
- .qatar
- .quebec
- .riga
- .roma
- .saarland
- .seattle
- .seoul
- .sfo
- .syd
- .syria
- .taiwan
- .thailand
- .tokyo
- .toulouse
- .tunisia
- .usa
- .vegas
- .ppf/.RF
- .日本
- .عربي
- (others)

Major Pitfalls

- Only one application period currently planned (Jan. 12, 2012-Apr. 12, 2012)
- ICANN will not publicize applications until after application period ends
- 10-year registry contract with presumption of renewal (but ICANN is not prohibited from transferring the gTLD to another entity)
- If a gTLD fails, must have 3-year contingency plan (and gTLD could be transferred)

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Strategies for Brand Owners

- Applying for a gTLD
- Handling others' gTLD applications

Applying for a gTLD: Why?

- Increase Brand Promotion
- Leadership—Stand Out from Competitors
- Increase Affiliate/Licensee Control
- Reduce Fraud/Piracy
- Increase Security
- New Customer Engagement Opportunities
- New Internal Corporate Network Possibilities
- Reduce Effects of Cybersquatting/Warehousing?

Applying for a gTLD: Why Not?

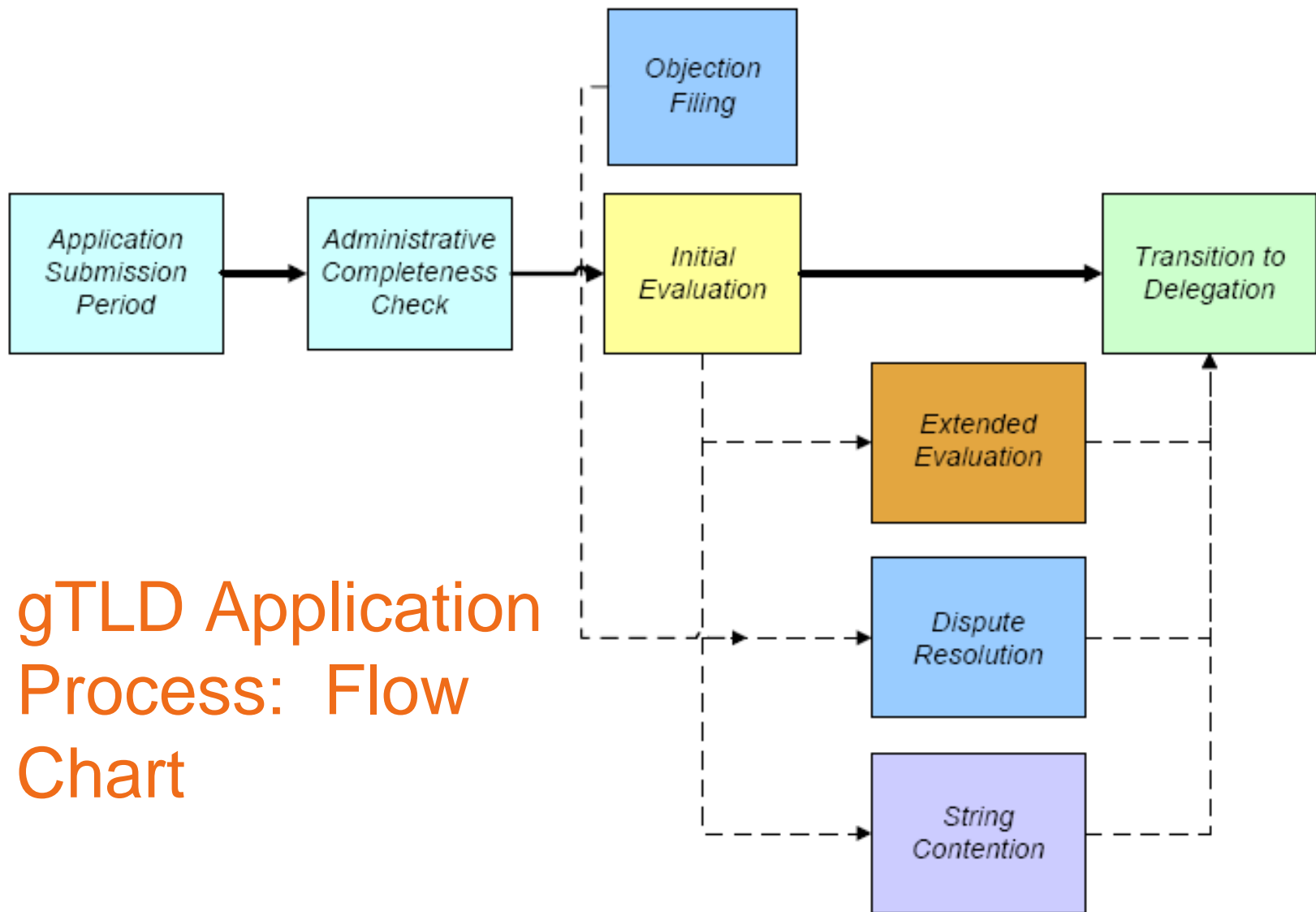
- Expensive
- Difficult to bring everybody together internally
- Will Internet users migrate from .com?
- Conflicts with others

Applying for a gTLD: Steps

- Internal Brainstorm
 - Marketing, Product Development, Legal, Management
- Budgeting
 - \$185k ICANN fee
 - Technical and Admin fees
 - Outside Operators (some as low as \$25k/year)
 - Annual fees (e.g., \$25k to ICANN)
 - “Continued operation” fee escrow?

Applying for a gTLD: Steps (Continued)

- TLD Application System Demo:
 - <http://newgtlds.icann.org/applicants/tas/demo>
- Applicant Guidebook Governs Procedure



gTLD Application Process: Flow Chart

gTLD Application: ICANN Evaluation of Proposals

- “Administrative Completeness Check”
- Applicant Evaluation
 - Technical Evaluation
 - Financial Evaluation
 - Registry Services Technical Evaluation
- gTLD String Evaluation
 - String Similarity
 - DNS Stability
 - Geographic Names
- Extended Evaluation studies these matters more closely

gTLD Application/Handling Others' Applications: Objections/String Contention

- **Objections**

- String Contention

- International Centre for Dispute Resolution (ICDR)

- Legal Rights

- World Intellectual Property Organization (WIPO)

- Community

- International Chamber of Commerce (ICC)

- Morality & Public Order

- International Chamber of Commerce (ICC)

- **String Contention**

- Community priority

- Auction

Handling Others' gTLD Applications

- Announced gTLDs
 - Internal Brainstorm
- Unannounced gTLDs
 - Publicized May 1, 2012
 - Objection period begins
- All gTLDs
 - Use Rights Protection Mechanisms (RPMs)

	Current gTLD Names	Future gTLD Names
Top Level (e.g. .name)	<ul style="list-style-type: none"> • Declared RPM 	<ul style="list-style-type: none"> • Declared RPM • Legal rights objection • Post-delegation dispute (PDDRP) • Enhanced vetting of applicants
Second Level (e.g. myco.name)	<ul style="list-style-type: none"> • UDRP • Various RPM policies • Thick and Thin Whois 	<ul style="list-style-type: none"> • UDRP • Required/standardized processes: <ul style="list-style-type: none"> ○ URS ○ TM Clearinghouse (claims or sunrise) ○ PDDRP ○ Thick Whois only

Source: "Brand Management in the Age of New gTLDs," Brussels ICANN Conference 20-25 June 2010

Fini

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