



The new gTLD programme

Ashley Roberts
Client Project Manager, Valideus
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Ashley.roberts@valideus.com

Private & confidential

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The new gTLD programme



- The Internet Corporation for Assigned Names and Numbers (ICANN) is liberalising the current gTLD namespace to allow any organisation, anywhere to apply to run their own gTLD registry.
- This will allow organisations to apply for things like .companyname, .brand or .service representing a drastic change in the current TLD naming structure.
- There are currently 22 active gTLDs such as .com, .net and .org, but it is estimated that between 500 and 1000 applications for new extensions will be received in the first application round alone.

The new gTLD programme



- ICANN intends to hold further application rounds, but only after it has evaluated and identified any issues arising from the first round process.
- Therefore, it could be at least three years before a second round opens.
- New gTLDs may have an effect on the future use of the internet:
 - it is hoped that search providers will take account of new gTLDs in their algorithms;
 - it may change company marketing strategies online;
 - it may incentivise applicants to develop innovative online services using the DNS
 - it can support secure communication of sensitive data

ICANN Application Timeline



Six months to prepare an application; 18 months before registries open:

- 12 January 2012 : 90 day application window opens;
- 12 April 2012: Application window closes;
- 27 April 2012: ICANN publishes list of applicants and character strings; Evaluation starts; seven month Objection period opens
- November 2012: New gTLD registries start to go live in a rolling programme

Timeline with applicant tasks



	May 2011	June 2011	July 2011 – January 2012	12 January 2012	12 April 2012	27 April – 1 May 2012	June 2012	July – October 2012	November 2012	December 2012 – January 2013
ICANN Developments	30th – Final Applicant Guidebook published.	20th – ICANN board approve new gTLD programme in Singapore and announce opening date for applications.	Marketing campaign promoting new gTLD concept.	90 day application window opens.	Application window closes; Administrative completeness check of applications begins.	Applications posted; 60 day comment period and GAC early warning period begin; 7 month Objection period opens.	Initial evaluation begins.	Initial evaluation continues.	Earliest evaluation complete; Pre-delegation testing begins.	Earliest registry opens.
Applicant Actions		Review Applicant Guidebook, especially 50 application questions and Registry agreement.	Prepare application; Resource \$185,000 application fee, Final legal review of application.	Register with ICANN's TAS (\$5,000); Submit application with remaining \$180,000 of fee.		Monitor 3rd party applications.	Respond to queries from evaluators; Object to third party applications if appropriate; Respond to any objections.	Draft registry policies; Develop launch plan; Compile blocked lists.	Finalise ICANN registry agreement.	

What is being applied for?



Geographic	Not for Profit	Community	Commercial
.london	.eco	.gay	.hotel
.paris	.green	.kurd	.shop
.sfo	.ngo	.zulu	.car
.bkk	.peace	.poker	.money
.roma	.love	.horse	.free
.lat			.news
.cymru			
.africa			

So far only two brands have officially announced they intend to apply: Hitachi and Canon, though it is expected that hundreds of brands may actually apply.

Types of Registry



Blocking Registry – 2 domains

- Protects your brand at the top level of the DNS
- Prevents you from being locked out by another similar TLD string
- Reserves your strategic options
- You can redirect to your .com

Closed Brand Registry for internal use < 10,000 domains

- Utilise for secure communication with partners and customers
- Gradually move your main website to your .brand domain
- Become trusted and ‘authentic’ among internet users
- Provide secure and recognised channel for marketing

Types of Registry



Open Brand Registry for internal and customer use < 50,000 domains

- Utilise for secure communication with partners and customers
- Provide affiliate domains to customers to inspire loyalty
- Means of providing secure customer platform

Open 'generic' registry for general public

- Validate eligible Registrants
- Generate revenue through domain sales
- Become recognised as 'go-to' place for anything related to your TLD

The Application Process



- First round opens on 12 January 2012 for 90 days
- There are 50 applicant questions to complete covering applicant details, string details, technical and financial capability. The policy is set out in a 300+ page Applicant Guidebook – it is detailed and complex
- All applications are evaluated and the technical and financial questions are scored. You must achieve a score of at least 30 out of 41 in order to progress
- In question 18 you set out the mission and policies of your registry. This must be sufficiently detailed and robust enough to withstand future public scrutiny of your registry operation

Extended Evaluation



- If you fail the initial evaluation your application will proceed no further
- In certain cases, e.g. if there are technical issues which may affect the stability of the DNS, applicants who fail initial evaluation may be eligible for extended evaluation.
- Extended evaluation allows the applicant to provide further information to the evaluator for clarification of their services.

Objections & Contention

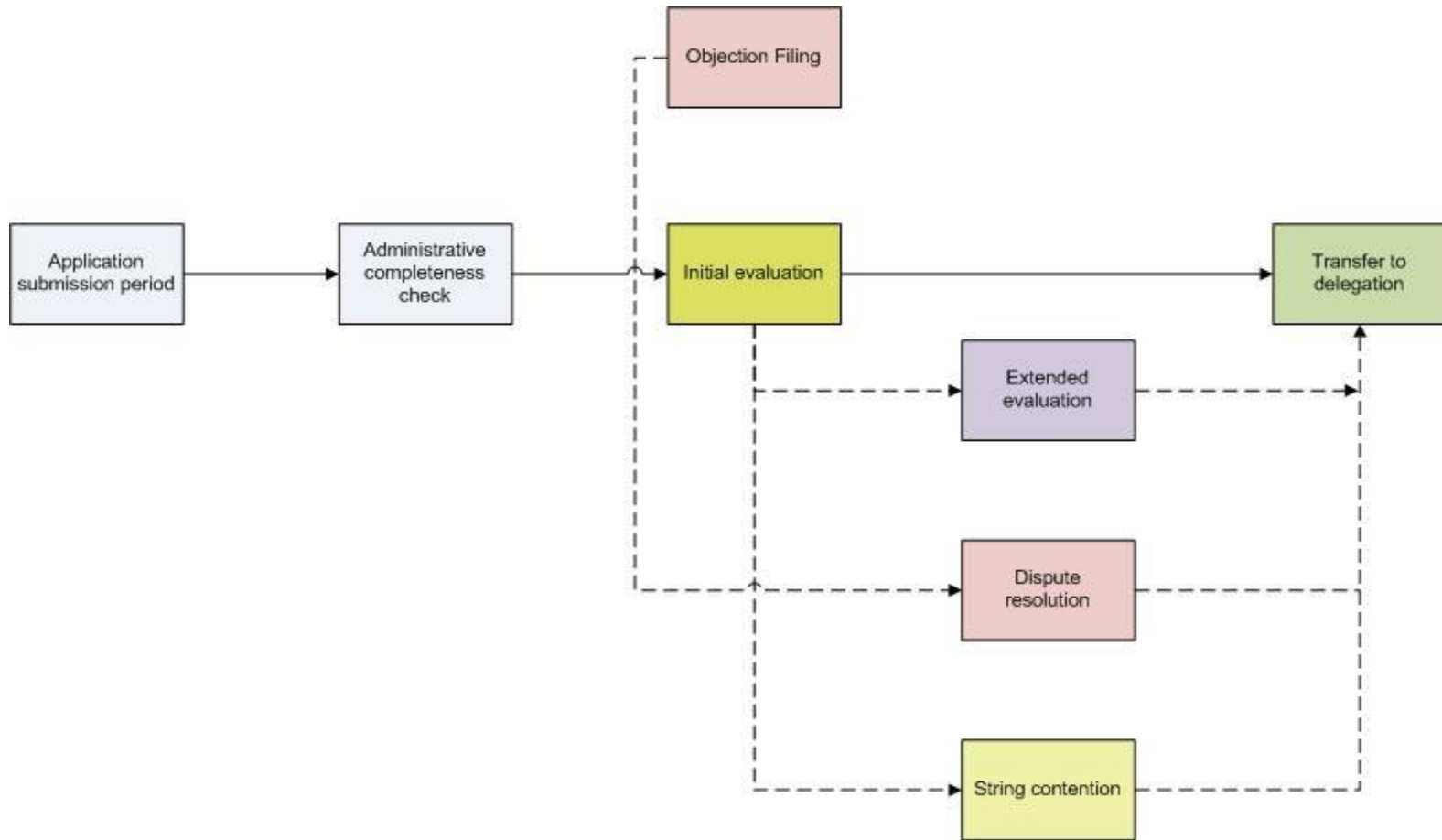


○ Objections can be filed against applications on any one of four grounds:

- Similarity to another existing or applied-for TLD string
- A third party has a legal right to the applied-for TLD string
- The applied-for TLD string is contrary to accepted norms of morality and public order
- There is opposition to the applied-for TLD string from part of the target community

○ Multiple validated applications for the same TLD string will result in an auction if the conflicting parties cannot reach an agreement

Stages of Application



Advantages of Applying



How internet branding develops over next five years

Four main reasons why companies may apply in the 1st round:

1. **Communication:** Put the brand in the browser; demonstrate innovation; prioritisation of a shorter address by search engines
2. **Security:** The most trusted internet address, running stronger security protocols, out of the vulnerable .com registry
3. **Competitive advantage:** Only one applicant can have a particular term so you do not want to be permanently precluded by someone else.
4. **Foundation of servers in the world root for technical innovation and faster, securer delivery of information, digital services etc**

Drawbacks of Applying



- No public demand or understanding of new gTLDs
- Application is expensive
- The application process is unproven and may yet be disrupted by governments
- A strategy for protecting your IP at the second level in 500 new registries will also be needed

Costs



Official fees to ICANN

- Application fee: US \$185,000
- Irrevocable Letter of Credit for 3 years' critical functions (est. \$120k p/y)
- Once registry is open, US \$6,250 per quarter to cover up to 50,000 domains per year; then US \$0.25c per domain per year

Registry Services Provider costs: Depends on registry type:

- Blocking registry - 2 domains;
- Closed registry (approved internal staff and partners) < 10,000 domains;
- Open registry (to communicate and inspire loyalty) < 50,000 domains

Professional fees: escrow, insurance, legal, consultancy

Big picture for a closed registry option up to 10,000 domains:

Min. \$1m across five years: average of \$200k p/y

For a Blocking Registry for defensive purposes, could be \$750,000 across five years. This does not include marketing costs for your new gTLD.

Application Fee Refunds



Refund Available to Applicant	Percentage of Evaluation Fee	Amount of Refund
Within 21 calendar days of a GAC Early Warning (see Objections briefing note)	80%	USD 148,000
After posting of applications until posting of Initial Evaluation results	70%	USD 130,000
After posting of Initial Evaluation results	35%	USD 65,000
After the applicant has completed Dispute Resolution, Extended Evaluation, or String Contention Resolution(s)	20%	USD 37,000
After the applicant has entered into a registry agreement with ICANN	0	None

Options



Not just a binary decision. Options include:

- No Action – Do not participate at this stage
- Apply for a blocking registry with one or two names only, forwarding to main website, thus preserving strategic options
- Apply for a closed, but active registry for internal use
- Apply for a registry for .BRAND and/or a generic term such as .audit for external use
- Consider community partnerships for external terms

Post-Launch Protection of IP



ICANN and industry estimates suggest there could be up to 1000 new gTLD registries within the next few years so brand holders will need a strategy to protect their IP sufficiently.

Trademark Clearinghouse

- Every new gTLD registry is obliged to launch with a Sunrise for IP owners
- Brand holders can opt in to the Trademark Clearinghouse, a centralised database of registered trademarks which new registries will query for their Sunrise launches – a cost effective method if IP rights validation
- The Trademark Clearinghouse will also alert trademark holders when a third party registers a domain which matches their mark

Post-Launch Protection of IP



Uniform Rapid Suspension (URS)

- The URS offers a cheap and fast alternative to the UDRP, allowing complainants to suspend domains which infringe their trademark rights
- Filing fees are in the range of \$300 and infringing domains can be suspended within 26 days
- If the complaint is successful, the nameservers are changed and the domain locked until its expiry date, but the domain is not transferred to the complainant

Key Tasks



- Educate and consult all relevant stakeholders internally to reach a decision on whether to apply in the first round or not
- From 27 April 2012 monitor list of applied-for gTLD strings and prepare to object if necessary
- Post-launch you must devise a strategy for the continued monitoring and protection of your IP under new gTLD registries

Valideus Services



Three strand service:

- Feasability Consulting: Valideus will work with key stakeholders to assess the benefits and drawbacks of application and how a new gTLD might complement company strategy
- Application Management: Valideus will create and prosecute your application, assisting you with the selection of key providers
- Launch and Post-Delegation Support: Our team will help you implement registry launch and rights protection mechanisms, ensure ICANN compliance and manage the day to day functions of your registry



Valideus Ltd,
Langley House,
116 Long Acre,
London,
WC2E 9SU

+44 (0) 20 7010 9247

www.valideus.com

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