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Ad Industry Associations Oppose ICANN's Proposed Changes to Internet Domain Names

August 30, 2011 by James Taylor

The Internet Corporation for Assigned Names and Numbers (ICANN) is set to implement major changes in the sale and assignment of Internet Domain names. The changes, if adopted, would allow applicants to claim virtually any word, generic or branded, as a top-level internet domain name. Advertising industry associations, including the 4A's and the Association of National Advertisers (ANA), working together with other advertising and marketing groups, as well as the Interactive Advertising Bureau (IAB), have voiced strong opposition to new program of classification and sale of top-level domain names, a key to identifying and protecting brand recognition and value.

ICANN's proposed plan allows an increase in the number of Internet address endings – the text on the right of the “dot” called generic top-level domains (gTLDs) - from the current 22, which includes familiar domains as .com, .org and .net. Internet address names will be able to end with almost any word in any language – including the names of companies and products. ICANN expects to be accepting names under the program on January 12, 2012, and to close the application window three months later, on April 12, 2012.

While ICANN touts the change as giving organizations new and innovative ways to market their brand, products, community or cause in new and innovative ways, advertising industry associations are focused on the possible misuse of the new system. The registration price is \$185,000 to apply and \$25,000 per year for administration for the domain. The associations assert that this amounts to forcing organizations to purchase their own brands from ICANN, or risk losing the domain to anyone willing to pay to apply for it.

In an August 4, 2011, [letter](#) to ICANN President Rod Beckstrom, ANA President and CEO Robert D. Liodice called the plan for unlimited gTLDs “economically unsupportable and likely to cause irreparable harm and damage[.]” and detailed what associations believe are major flaws in the program. “[T]he Program contravenes the legal rights of brand owners and jeopardizes the safety of consumers,” the letter stated. “By introducing confusion into the marketplace and increasing the likelihood of cybersquatting and other malicious conduct, the Program diminishes the power of trademarks to serve as strong, accurate and reliable symbols of source and quality in the marketplace. Brand confusion, dilution, and other abuse also poses risks of cyber predator harms, consumer privacy violations, identity theft, and cyber security breaches.”

ANA asserts that ICANN is moving forward with the Program despite the conclusions of its own experts and without seeking any additional expert analysis prior to implementation, in violation of the legal and due diligence requirements of ICANN's own mandates, its Code of Conduct and its undertakings with the United States Department of Commerce, embodied in the Affirmation of Commitments by the United States Department of Commerce and the Internet Corporation for Assigned Names and Numbers.

ANA echoed these assertions in a [letter](#) to the National Telecommunications and Information Administration of the U.S. Dept. of Commerce, asking that ICANN's contract to administer the domain



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name system should not be renewed. "We believe that ICANN has violated its own Code of Conduct and abrogated its Affirmation of Commitments with the Department of Commerce (DOC) by failing to act fairly, transparently and with a bottom up consensus driven approach to policy development relative to the Program," the letter said.

In a [statement](#), IAB also leveled the accusation that ICANN made the decision without considering its impact. Randall Rothenberg, CEO and president of the IAB, charged that, "ICANN's potentially momentous change seems to have been made in a top-down star chamber. There appears to have been no economic impact research, no full and open stakeholder discussions, and little concern for the delicate balance of the Internet ecosystem."

ICANN responded to ANA's letter with a [letter](#) of its own, dated August 9, 2011, in which it countered that ANA's assertions were "either incorrect or problematic in several respects," and the "most severe mischaracterizations concern[ed] the ICANN process." The letter attempted to refute ANA's assertions with point-by-point examples of how ANA's concerns had been addressed.

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