

## **.anything On Its Way: New Generic Top Level Domains Will Launch January 12**

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**The International Corporation for Assigned Names and Numbers (ICANN) announced today that it has approved the plan for unlimited new gTLDs, and that ICANN will be taking applications from January 12 to April 12, 2012.**

The nightmare of many brand owners fearing that ICANN would adopt a system of unlimited gTLDs is now reality. This is a dramatic change to the domain name system. Currently, the domain name system is limited to 22 "generic" gTLDs (.com, .org, .net, .info, .biz, etc.), in addition to country codes (e.g., .us, .uk, .cn), and certain special community-sponsored domains (e.g., the new .xxx for adult entertainment). Under the new guidebook, organizations located anywhere in the world will be able to apply to operate a gTLD that corresponds to just about any word or phrase, including an organization's name or brand.

Thus, instead of purchasing "yourbrand.com," Your Brand Corporation can purchase ".yourbrand." If Your Brand Corporation is, for example, a clothing company, it might map its divisions to corresponding second level domains: *hats.yourbrand* or *shirts.yourbrand*; or, it might choose to permit some of its trusted vendors to use the .yourbrand domain: *yarnco.vendor.yourbrand*, etc. Likewise, trade associations or other communities of interest might find that a new gTLD offers them new opportunities to map a domain to their organizational structure, activities and missions.

Interested parties should know, however, that the new gTLDs come with a high initial application fee (\$185,000), and the application process is very involved and requires extensive knowledge of the domain name system, security, and domain name registry operations. A company adopting a gTLD would be required to act as a registry, a technological undertaking not to be taken lightly, especially if your organization does not have sufficient existing infrastructures. Although a number of outsourced registry service providers have emerged and can offer a great deal of assistance in providing the services, ongoing maintenance of a gTLD may still be resource-intensive and costly for interested parties.

All businesses need to be aware of this change because, if nothing else, it places new burdens on companies to police their brands through the ocean of hundreds, or theoretically thousands, of new channels. The potential for infringement on a massive scale (through domain squatting and other devices) has been a major topic throughout the heated debate over the new gTLDs. Brand owners are well advised to become familiar with the *Application Guidebook* and processes as related to protecting their brands-even if they are not inclined to obtain a new



gTLD for themselves. The approved *Application Guidebook* (as may be updated from time to time) will be posted at [www.icann.org](http://www.icann.org) (please check the link over the next few weeks to make sure that the version you rely on is indeed the version approved by ICANN June 20).

Brand owners need to marshal a gTLD team from relevant stakeholder departments, including **(1) marketing/advertising** (understanding the business case for a gTLD), **(2) technical/security** (understanding the technical commitments associated with running a gTLD registry and outsourcing opportunities), **(3) financial** (understanding the representations and warranties necessary to meet threshold financial sufficiency requirements) and **(4) legal** (understanding the application process, the contractual undertakings with ICANN and relevant providers, the intellectual property risks and rewards, and the new rights protections mechanisms associated with the new gTLD initiative).

Reed Smith is closely monitoring these changes to the domain name system, so if you have any questions, please contact one of our gTLD Team leaders.

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