

MEMO# 25326

July 12, 2011

Generic Top- Level Domain Expansion

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TO: TECHNOLOGY COMMITTEE No. 6-11 RE: GENERIC TOP- LEVEL DOMAIN EXPANSION

The Internet Corporation for Assigned Names and Numbers (ICANN) is a not-for-profit organization responsible for coordinating the Internet's unique identifiers, including the domain name system (DNS). ICANN has developed a program for the expansion of the generic top-level domain (gTLD) space. ICANN recently announced that it will accept applications for new gTLDs from January 12, 2012 through April 12, 2012. As such, it will be possible for governments, businesses, and entrepreneurs around the globe to apply to create and operate a generic Top-Level Domain of their choosing. ICANN plans to embark on a world-wide campaign to raise awareness of the change to the domain name system.

BACKGROUND

By way of background, a gTLD is an Internet extension (e.g. .com, .org or .mil) that is part of the Internet's DNS. A DNS helps people navigate the Internet as every computer has a unique address. This address, however, is a long string of numbers that are hard to remember. The DNS allows for the transposition of the numbers into familiar letters that can be used to find a website or send email. The portion of the domain name that precedes the top level domain is called the second level domain (e.g. ICI in ICI.org).

Prior to the establishment of ICANN, only eight gTLDs existed. These are .com, .org, .edu, .gov, .mil, .net, .int and .ARPA. During 2000 and 2003-2004, ICANN held two rounds of applications to allow for additional gTLDs that included .biz, .info and .mobi. The new gTLD program will enable additional gTLDs to be created and allow for, according to ICANN, enhanced competition in the domain name market by allowing governments, businesses and entrepreneurs to apply to create new gTLDs of their choosing. In other words, it will be possible, for example, for the Investment Company Institute to apply for a gTLD of .ici. Today, however, the ICI can only have a second level domain name under one of the existing gTLDs.

APPLICATION & DISPUTE RESOLUTION

As indicated above, ICANN recently announced the first application period, for new gTLDs, with specific opening and closing dates. While there will be more than one application

period and each is expected to last three months, the number of periods and the frequency each is unknown. ICANN has developed an Applicant Guidebook that specifies the documents and information required for a gTLD applicant. Each request for a gTLD must have a separate application (multiple gTLDs requests are not permitted in a single application) and each application submission will cost \$185,000 (this includes a \$5,000 deposit to reserve an application slot). Once the application window is closed a list of all gTLD applications will be published on ICANN's website.

Once the list of applications is published, there will be an opportunity for third parties to file a formal objection to any gTLD application. Only those parties with legal standing will have their objections considered before a panel of qualified experts through a dispute resolution process. An objection must be submitted to an independent Dispute Resolution Service Provider (DSRP) approved by ICANN. The filing fee for dispute resolution is as high as \$5,000 (the fee does not include the cost of document preparation for the objection). Disputes will follow the Rules for Uniform Domain Name Dispute Resolution Policy established by ICANN, as well as any Supplemental Rules of the DSRP. The DSRP will also appoint the administrative panel to hear the objection.

Currently, there are four grounds for objection: string confusion; legal rights; limited public interest; and community. These objections are resolved by either the International Center for Dispute Resolution, or The Arbitration and Mediation Center of the World Intellectual Property Organization (for string confusion and legal rights objections) or (for limited public interest and community objections) The International Chamber of Commerce. The details behind each objection category are set forth in ICANN's Applicant Guidebook. If there is no objection to an application, an evaluation process will commence that is expected to take between 8 to 18 months from the time the application window is closed.

CYBERSQUATTING

Any entity that submits a gTLD application is expected to demonstrate that it has the technical, operational, and financial capability to operate a visible piece of the Internet infrastructure. A detailed plan for the launch and operation of the new gTLD is part of the application. It is expected that a new gTLD will be delegated to a registry within one year of signing a registry agreement with ICANN. In other words, if an entity is successful in its gTLD application it must develop the gTLD and not merely hope to profit by selling it to a logical third party. Nor may it obtain the gTLD to preclude others access to it.

COSTS

As mentioned above, the application submission cost is \$185,000 which does not include the expense associated with specialized experts to assist in fulfilling the application requirements which includes providing detailed information regarding its proposed operation of the gTLD. On-going fixed and variable costs will vary by applicant.

The Institute will continue to monitor developments with the new gTLD program. Additional information, including the Applicant Guidebook, may be found at www.icann.org. Please contact me at salmon@ici.org or 202-326-5869 if you have any questions.

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