



What's at Stake: The Reality of ICANN's New gTLD Program for Brands

An Overview of the New gTLD Program presented by CADNA

Moderator: Josh Bourne, President of CADNA

Phil Lodico, Vice President of CADNA

Ted Suzuki, Vice President and Deputy General Counsel of DIRECTV, Inc.

Elisabeth Escobar, Vice President and Senior Counsel, Intellectual Property at Marriot International, Inc.

CADNA President Josh Bourne began the morning by summing up what many brand owners are feeling towards ICANN's New gTLD Program: anxiety. "For brands, making the decision to apply for and operate a new gTLD is essentially a blind process," Bourne explained. While many businesses are hesitant to commit to a new gTLD, the lack of insight into when ICANN will open the next application round is compelling many brands to act sooner than they would like by defensively applying for a branded gTLD in the first application round. Bourne called on ICANN to indicate more clearly when the next application round will open.

Bourne then moderated a panel where CADNA members discussed various aspects of the New gTLD Program. As both CADNA members and brand representatives, Ted Suzuki and Elisabeth Escobar spoke to the uncertainty many businesses feel over the Program, both in terms of whether or not they should apply for their own gTLD, and over the potential costs of maintaining additional defensive registrations across new generic gTLDs. Phil Lodico noted that the New gTLD Program has been particularly challenging for businesses because, while domain name management is typically handled by legal departments, new gTLDs will require input and collaboration from legal, marketing, and IT departments. Companies are asking important questions, but with no precedent for the New gTLD Program, many of them are difficult to answer. In the end, Lodico said that businesses would like more time to decide and more clarity about when their next opportunity to apply for the new gTLD will be.

A Look Inside ICANN: Where Did New gTLDs Come From?

Moderator: Judy Shapiro, CEO of engageSimply

Esther Dyson, Founding Chairman of ICANN

Michael Palage, former ICANN Board Member and Chair of Registrars Constituency

Micah Donahue, Principal, Contact Strategy Director for Mechanica USA

Esther Dyson discussed her original vision for ICANN to be a true business constituency, and how that vision has since been compromised. While Dyson initially thought new gTLDs were a good idea, she has since come to believe otherwise. Rather than an expansion of the domain name space, Dyson sees the New gTLD Program as an attempt by ICANN to further carve up that space. Dyson's message to the audience was to not remain passive but to push back on the



problems and issues that they have with the New gTLD Program and with ICANN itself.

Michael Palage reflected on his own involvement with ICANN, stating that while he believes that ICANN's model is flawed and that certain groups have a disproportionate amount of influence on ICANN policy, he is still committed to and believes that, with self-correction, ICANN be steered in the right direction. On new gTLDs, Palage noted that past gTLD launches have been miserable failures, but for ICANN, this launch is all about financial gains. Palage's final message cautioned the audience to keep an eye on the Applicant Guidebook, which he believes will change as a result of government pressure during the most recent ICANN meeting in Dakar, Senegal.

Micah Donahue had a hand in crafting ICANN's communications plan, which was designed to spread awareness and educate people about new gTLDs. Donahue's belief is that ICANN truly does want to promote global creativity through new gTLDs. However, by failing to launch the communications plan well before the opening of the application period, ICANN missed an opportunity to thoroughly educate its stakeholders, resulting in confusion and frustration.

What New gTLDs Mean for the Real World: Small Business, Emerging Countries and Consumers

Moderator: Joy DiBenedetto, Founder, Chair and CEO of HUM: Human United Media

Igor Seletskiy, CEO and Founder of CloudLinux

Noel J. Brown, Former Director of the United Nations Environment Programme

Jeremy Johnson, CMO of 2Tor

During the third panel session, attendees had the opportunity to learn about the impact new gTLDs will have on small businesses, emerging economies, and consumers. Moderator Joy DiBenedetto noted at the beginning of the session that the New gTLD Program has the makings of "a colonial land grab in virtual space." Without careful thought and planning, the Program has the potential to create unforeseen security problems and consumer confusion, as well as to leave emerging economies in the digital dust.

Igor Seletskiy addressed the question of whether or not new gTLDs will create security problems. His belief is that although the fundamental cyber vulnerabilities and domain name threats facing brands will remain roughly the same, the New gTLD Program will vastly increase the area that brands need to defend.

Turning to the realities of new gTLDs facing emerging economies, Dr. Noel J. Brown addressed his concern that in emerging economies, businesses and consumers alike will be left behind by this Program. Citing a major deficit in knowledge regarding ICANN's New gTLD Program and its potential impact on the domain name landscape, he expressed his desire to see similar educational conferences for stakeholders replicated across emerging economies.

Jeremy Johnson spoke to the challenges new gTLDs will pose for consumers, small- to medium-sized businesses, and universities and colleges. For small businesses and universities, the investment in a new gTLD is significant and probably not worth the cost, Johnson explained,



noting concerns and uncertainty over just how major search engines will handle new gTLDs. Consumers, Johnson reminded attendees, are slow to change their behavior; given that .NET and .INFO are still no match for .COM, reaching out to Internet users through .BRAND websites will be a challenge for all businesses.

What Brands Need to Know About new gTLDs

Moderator: Judy Shapiro, CEO of engageSimply

JoAnn Kim, Director of Internet Strategy for New York Life Insurance Company

Cynthia Neiman, Former Vice President of Digital for Mattel, Inc.

Phil Lodico, Managing Partner of FairWinds Partners

The last panel of the day opened with a discussion as to whom, within a corporation, should “own” new gTLDs. This is an issue that ICANN has failed to address. JoAnn Kim cited the fact that there are going to be many stakeholders involved in the implementation of new gTLDs, making this a difficult question to answer. Judy Shapiro agreed, stating that this is part of the problem, and asking where and when the marketing voice was taken into account when ICANN was approving the New gTLD Program.

Cynthia Neiman remarked that the most important thing for companies is to adequately identify all of the important stakeholders, and that this will take a significant amount of time, and will require partnerships between legal, marketing and IT departments. Neiman pointed out that such confusion and complication has made it difficult for companies to make thoughtful decisions, and stated that she would have liked to see ICANN clarify this point long ago. The main problem, to Neiman, is that there are still many more questions than answers at this point.

Phil Lodico answered a series of questions on costs associated with new gTLDs, stating that a mix of one-time and recurring fees will apply. By Lodico’s estimation, at the bare minimum, a new gTLD will cost companies approximately \$100,000 per year.

Closing Remarks and Proposal to ICANN

Josh Bourne, President of CADNA

At the close of the “What’s At Stake” conference, Josh Bourne noted, “The unfortunate part about this policy is that we’re all forced to play poker.” Without knowledge of when the next round of applications will open, and with deep uncertainties about whether the return on investment will be significant or primarily defensive, brand owners are understandably frustrated. Bourne expressed his desire for ICANN to use the New gTLD Program as an opportunity to build its standing amongst businesses. “Businesses feel forced into the New gTLD Program, and yet they aren’t getting the answers that they need,” Bourne said. One step in the right direction would be for ICANN to clarify when the next application round will open.

CADNA will summarize this recommendation in a proposal that it will submit to ICANN.