



## ICANN's Predictions – The Hard Costs of New Generic TLDs

ICANN released a document in March of 2010 on the expected number of new TLD launches, which predicts that there will be 400 generic TLD applications accepted in the initial round of the new TLD launch process. CADNA uses this number as the basis of its projections for the cost of the new generic TLD launch on brand owners. We modeled several scenarios based on trademark owner participation in recent TLD sunrises and TLD rule liberalizations, and applied a weighting system that reflects varied levels of participation in these scenarios. A full analysis can be found [here](#).

One brand owner we spoke with, for example, registered 400 domains in the .EU sunrise, while others told us they registered “dozens.” However, .EU is an extreme example. In general, large trademark portfolio owners secure fewer than 10 domains in TLD sunrises. Our study conservatively projects a fraction of this; only 3 names per company, per TLD. We also interviewed brand owners to understand the typical costs they incur during sunrise registration periods and found that the prices have ranged from \$300 for 2 years to thousands of dollars for access to special “queues.” Based on this range of costs and that most corporate registrars are currently charging \$500 for .CO (the 2<sup>nd</sup> level ccTLD for Colombia) sunrise registration fees we chose to use \$500 as the 2 year sunrise registration cost in our model.

We modeled five possible scenarios and then applied a weighted average to account for various levels of participation. Our overall projection estimates that roughly 1.49 million total sunrise period defensive domains will be registered across 400 TLD launches—which translates to an average of 3,731 trademark sunrise domains per new gTLD registry. These are conservative figures because they can be compared to the approximately 140,000 accepted .EU sunrise registrations in 2006 and 15,000 accepted .ASIA sunrise registrations in 2007. If the sunrise periods in new gTLDs reflect .EU and .ASIA proportions, the costs realized by the trademark community could be in excess of 4 times the projections recorded here.

### I. General Scenarios - Possible Business Responses to New TLDs

Scenario	# of non ".BRAND" TLDs Released	% of non ".BRAND" TLDs Large Businesses Register	# of non ".BRAND" TLDs Large Businesses Register	# of Domains per Applicant per TLD	Est. Price of a New TLD "Sunrise" Registration	Cost per Large Business	Total Number of Applicants Participating	Total Number of Domains Submitted	Total Cost of ICANN's TLD Expansion to Large Businesses
A	400	75%	300	25	\$500.00	\$3,750,000.00	1500	11,250,000	\$5,625,000,000.00
B	400	50%	200	10	\$500.00	\$1,000,000.00	1500	3,000,000	\$1,500,000,000.00
C	400	25%	100	10	\$500.00	\$500,000.00	1500	1,500,000	\$750,000,000.00
D	400	50%	200	5	\$500.00	\$500,000.00	1500	1,500,000	\$750,000,000.00
E	400	50%	200	2	\$500.00	\$200,000.00	1500	600,000	\$300,000,000.00
F	400	25%	100	2	\$500.00	\$100,000.00	1500	300,000	\$150,000,000.00

## II. Weighted Scenarios - Average Cost of Registrations Per Company

Scenario Weighting	Total Cost of ICANN's TLD Expansion to Large Businesses	Multiplier	Weighted Contribution
5% - scenario A	\$5,625,000,000.00	5%	\$281,250,000.00
10% - scenario B	\$1,500,000,000.00	10%	\$150,000,000.00
15% - scenario C	\$750,000,000.00	15%	\$112,500,000.00
15% - scenario D	\$750,000,000.00	15%	\$112,500,000.00
20% - scenario E	\$300,000,000.00	20%	\$60,000,000.00
20% - scenario F	\$150,000,000.00	20%	\$30,000,000.00

**Total Cost to Businesses Worldwide** **\$746,250,000.00**  
**Total Cost to Average Business (divide by 1500)** **\$497,500.00**

### Assumptions

- 15% of 1,500 top global enterprises do not participate
- Estimates only include defensive registrations
- Estimates do not contemplate cost of securing a .BRAND TLD
- Estimates do not contemplate new monitoring and enforcement costs
- Estimates do not contemplate renewal costs beyond initial 2-year term

## III. Weighted Scenarios - Average Number of Registrations Per TLD

Scenario Weighting	Total Number of Domains Submitted	Multiplier	Weighted Contribution
5% - scenario A	11,250,000	5%	562,500.00
10% - scenario B	3,000,000	10%	300,000.00
15% - scenario C	1,500,000	15%	225,000.00
15% - scenario D	1,500,000	15%	225,000.00
20% - scenario E	600,000	20%	120,000.00
20% - scenario F	300,000	20%	60,000.00

**Total domains registered across 400 TLDs** **1,492,500**  
**Total domains registered per TLD** **3,731**  
**Total number of domains per company per TLD** **3**

### Assumption

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