

ICANN's gTLD Launch Costs Businesses \$746 Million, Increases Cyber Crime

WASHINGTON, April 6, 2010--The Coalition Against Domain Name Abuse (CADNA) has released a report which found that the Internet Corporation for Assigned Names and Numbers' (ICANN) anticipated launch of 400 generic top-level domains (gTLDs) could cost brand owners worldwide over \$746 million.

CADNA's findings are based off a document released by ICANN last month regarding the expected number of gTLDs, or the letters found after the last dot of a domain name like .COM or .ORG, that will be created during the first round of the TLD launch. CADNA determined that the launch ICANN predicts could cost individual brand owners about \$500,000 each if one conservatively estimates that the average brand owner will defensively register 3 domain names per gTLD, that the average price of domain name registrations in sunrise periods of new gTLD launches will be \$500, and that brands will not necessarily participate in each gTLD launch equally. These estimates exclude costs that will be incurred by any business that secures its own branded TLD. The \$500,000 per business price tag is likely low, as it does not factor in future renewals, new domain name monitoring, or enforcement costs in a drastically expanded Internet.

This new cost will apply to brand owners across the board. Brands in all industries, whether for profit or nonprofit, will be forced to spend significant time and money to monitor activity in each new gTLD and to defensively register domain names in an attempt to mitigate the effects of malicious use of their trademarks.

"Most businesses will not even use all the domain names they pay to register," said CADNA president Josh Bourne. "But they feel pressured to buy them anyway in order to prevent an unaffiliated party from purchasing domain names containing their trademarks and using them to deceive and exploit their customers."

"The bad faith acquisition of a trademark in a domain name, or cybersquatting, is already rampant online. The creation of new gTLDs expands the opportunity for cybersquatting," Bourne continued. "While there are a few existing remedies for this problem, ICANN is known to poorly enforce them and the federal government's solutions are outdated. Improvements to ICANN as an organization and to the federal Anticybersquatting Consumer Protection Act (ACPA) would help prevent cybersquatting."

The Coalition Against Domain Name Abuse (CADNA) is a 501(c)(6) nonprofit organization dedicated to ending the systemic domain name abuses that plague the Internet today. For more information, please visit www.cadna.org.