

Uthoff, Gomez Vega & Uthoff

The ccTLD v gTLD debate

With the advent of new gTLDs, brand owners need to create a multi-faceted domain name management strategy

Today, it is almost impossible to imagine a company - regardless of size or industry - that does not use the Internet as its most important tool.

Every company interested in promoting its products or services must consider that the options to present its brand to consumers have changed dramatically in the last five years. Social networks and social media have become important vehicles to influence consumer preferences; television, radio or magazines are no longer sufficient; and any company without an internet presence could swiftly end up out of business.

The potential afforded by this relatively new market means that the need for web protection is now a hot topic in corporate life. Imagine the introduction of a new product to the market. The research and development checklist, consumer insights, marketing campaigns and launch strategy are all in place, together with the necessary legal requirements and protection – but is the brand truly protected on the Internet?

This situation could be a serious threat to business continuity and an open door for a third party seeking to take advantage. A third party could immediately proceed to request the registration of this new brand as a domain name in the most common generic top-level domains (gTLDs), such as '.com', and some of the country-code top-level domains (ccTLDs), such as '.mx'. Instead of spending a low sum of money on obtaining this crucial branded domain name, the company will need to spend a considerable amount of money, time and energy in trying to remove the registration that the third party obtained in bad faith.

Managing domain names

In order to avoid risks, a company must include corporate domain name management in its business plan.

Before a company advertises a new product or invests in a new business, it should search to see whether the domain name is available. If so, it should immediately purchase the gTLD - particularly in the '.com' domain and the relevant ccTLDs. Purchasing domain names before investing in the business will prevent future problems with third parties or competitors.

In order to avoid the need to create numerous domain names and keep costs down, it is important to identify the most important brands of the company, including the company name. The protection of these as TLDs should be considered. Protecting all brands of a big enterprise is almost impossible, but protecting the most important through a domain name makes good business sense.

Brands should be protected in the most commonly used gTLDs, such as '.com', '.net' and '.org', as well as the most relevant ccTLDs, depending on the countries in which the company wants to do business. Unfortunately, the registration of domain names such as 'caricasul.com' does not prevent registration by a different person of another domain name such as 'caricasul.net'. It is therefore necessary to plan protection strategically through the most important gTLDs and ccTLDs.

Since 2012, it has become possible to own a new gTLD. This means that Dotpot Corporation will be able to apply for the new gTLD '.dotpot'. The differences between new and regular gTLDs are numerous, but it is important to consider the fact that the owner of a new gTLD will be responsible for the administration of any domain names related with the new gTLD. Thus, the rights are more abundant, but so too are the associated responsibilities and obligations. Moreover, it is difficult to obtain a new

gTLD, and this is not as cheap as obtaining a regular gTLD or a ccTLD. The applicant must file an application which includes financial information, a description of the purpose of the gTLD, information demonstrating its technical and operational capabilities to run a registry, and other specific information related to the new gTLD, as well as payment of the \$185,000 evaluation fee. All information included on the application is evaluated by authorised evaluators of the Internet Corporation for Assigned Names and Numbers (ICANN), who will decide whether the application complies with the necessary formalities and information required to grant the requested gTLD.

Thus, it is also necessary to consider protection for the opportunity to own a TLD that could be considered a piece of internet infrastructure. However, as this is such a new legal instrument, even though there is an Applicant Guidebook with details of the registration procedure, there are as yet no precedents or other applicable business models for guidance.

Registration of a brand as a new gTLD cannot prevent the registration of the same by a third party. Therefore, protection as a new gTLD does not obviate the need to obtain a domain name in the regular gTLDs and ccTLDs. Also, the new gTLD will have a publication period that will permit third parties to oppose any domain name that they believe would infringe their legal rights. Therefore, every company should be aware of registration procedures and dates regarding the new gTLDs. The first publication period for opposition is May 2012.

Although this legal instrument is new and some key points are still being studied to ensure its correct protection and regulation, it should nonetheless be factored into business plans.

Another fact to consider is the registration of common misspellings of the domain name. At least the purchase of '.com' domain names for each variant should be considered, so as to redirect users to your primary site. This will prevent the existence of a similar domain name that could confuse consumers. For example, if your domain name is 'spacio.com', common mistakes such as 'espacio.com', 'espasio.com' or 'spazio.com' should be considered.

Since a variation of just one letter is considered a new domain name, and the possibility of making typographical mistakes is very high when searching online, there is a significant possibility of the correct domain not being found if the variant protection is not considered.

Moreover, it is recommended to consider registering not only misspellings, but also generic variations. When searching for a business or a product, people sometimes do not remember the exact name and may use generic words to help them find it. Thus, the protection of such generic terms will have the desired effect of protecting a company's business.

Considering that the cost of applying for a new gTLD is higher and the requirements stricter than for a regular gTLD - and even though this presents the possibility of innovative marketing opportunities and increased security as a trusted domain space - the recommendation is to register generic variations of a domain name through a gTLD such as '.com'.

The final recommendation is to ensure that all relevant contact information is registered correctly, updating any changes, to ensure that you remain informed of all matters relating to your domain names, and can review the status of each and proceed with renewal in due time. If the administration is incorrect, there is a risk of losing the domain name - which could mean losing an important resource and risking third parties purchasing the name.

Recommendations for effective domain management

The key recommendations for domain name management are as follows:

- Purchase the domain name prior to making any investment into a product or service.
- Register not only in one gTLD, but also in those that are most common, such as '.com' and '.net', as well as the appropriate ccTLD, depending on the country in which the product or service will have the greatest presence.
- Consider the protection of at least the



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new gTLDs to begin operation.

A consideration of all of the above points would result in the registration of more domain names, but the benefits would result in improved sales for businesses. It is better, and cheaper, to consider all possible protections instead of leaving the door open to third parties that are, unfortunately, accustomed to seeking out gaps in protection so as to exploit them. [WTR](#)

company's main brands and name as a new gTLD. It is important to be aware of any developments regarding this new legal instrument so as to avoid the registration of a new gTLD that could affect your prior rights.

Key dates regarding the registration procedure for new gTLDs are as follows:

- May 1 2012 – ICANN will publish a list of all new gTLD applications, opening a period within which any interested party can file oppositions or comments regarding proposed TLDs.
- June 12 2012 – the initial evaluation of gTLD applications will commence, which includes the review of applicants' technical, operational and financial capabilities to run a registry.
- November 12 2012 – the initial evaluation period will end and the results will be posted.
- November 29 2012 – this is the deadline by which applicants or evaluators must request extended evaluation to consider additional information regarding applications, strings and applicants.
- January 2013 – ICANN expects the first