

Big Changes Coming to the Internet's Domain Name System

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After years of discussion, debate and deliberation, the **Internet Corporation for Assigned Names and Numbers (ICANN)** recently approved a plan that will facilitate one of the biggest changes the **Internet Domain Name System** has faced to date. The **ICANN plan** will allow private and public sector entities and organizations to obtain their own **generic top-level domain name (gTLD)** registries, and the plan will drastically increase the number of available gTLDs from the currently available 22 gTLDs – which include .com, .org and .net – to hundreds if not thousands of gTLDs. This week at the ICANN meeting in Dakar, Senegal, final implementation plans are being made in anticipation of ICANN's official launch of the program in January 2012. gTLDs can be composed of nearly any word in any language, so businesses, governments and cities, among others around the world, are likely to seize the opportunity to have their own gTLD registry for the purpose of advancing their brands, products, services and causes.

This fundamental change in the Internet Domain Name System will impact the way consumers and businesses alike locate information on the Internet. Moreover, businesses must address new plans and ideas to structure and expand their online presence. There are expectations that as many as 1,000 new gTLD registries will be added to the gTLD list, which will also undoubtedly lead to the registration of millions of new domain names in these registries. Particular industries and causes have preemptively shown interest in certain gTLD's, including .sport, .bank, .hotel, .eco, and .gay, and many brand owners will be applying to obtain registries comprised of their own key brands, e.g., .yourbrand. Importantly, ICANN has also implemented a challenge system for brand owners whose brands are incorporated into the proposed gTLD's of third-party applicants, and ICANN will engage in an auction process for particular registries if multiple parties have legitimate competing interests.

ICANN has issued a robust Applicant Guidebook (it's nearly 400 pages), which outlines its application and challenge rules and includes a detailed explanation of the application procedure for any new gTLD. The Guidebook underwent seven significant revisions, incorporating more than 1,000 comments from the public in an effort to both address the concerns of interested parties and maintain the security, stability and resiliency of the Internet. **ICANN will only accept applications for new**

gTLD registries for a 90 day period commencing on January 12, 2012 and concluding on April 12, 2012. The application is a fairly significant undertaking and, if interested, clients are advised to begin the application process as soon as possible. ICANN has determined that the application fee will be \$185,000 per gTLD to deter parties without legitimate interests from attempting to acquire valuable gTLDs. ICANN officials also stated that the fee is necessary to recoup start-up costs associated with the new program and ensure that proper funding is in place for the ambitious program.

To date, it remains to be seen how the expansion of gTLDs, particularly to this degree, will be received by consumers or the marketplace. Of the 22 currently used gTLDs, .com, .org and .net certainly dominate the Internet, and acceptance of the remaining gTLDs has been fairly lackluster. Yet, given the significant complexity of the new system and ability to theoretically adopt an infinite number of gTLDs, this expansion to this degree is unlikely to mirror any previous expansions. Accordingly, brand owners face greater challenges with regard to trademark protection that will be caused by the availability of domain names comprised of their brands in hundreds if not thousands of new gTLD registries. In addition, businesses are cautioned to ensure that competitors are precluded from monopolizing what could be a cornerstone of their industry by adopting any number of gTLDs comprised of arguably generic or descriptive terms related to particular categories of products and services.

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