

# The Internet's New Name Game

## by Jerome McDonnell

Standard Web naming conventions are about to end. As some brands seek to own space to the right of the dot, should your brand follow suit?

A relatively short time from now, the Internet will be rocked by the largest wholesale change of its existence as ".com," ".edu" and their familiar cousins are joined by a wide range of new, unique Web suffixes. Brands, proper names — words in general — will suddenly be able to stand completely alone to the right of the dot as the Web's nomenclature undergoes a controversial makeover and heads into uncharted terrain

Critics of the coming switch, which is being handled by the Internet Corporation for Assigned Names and Numbers (ICANN), worry that the Web is about to devolve into a Babel-like mess. Along with concerns that the move will do much to privatize the Web landscape, they note how the dot-com and other standard suffixes have long lent a degree of logic to the sproutshooting, unwieldy Internet, establishing a comfortable, global standard for Web navigation. In a time of manic digital change, they wonder, do we really need another big thing to think about?

Others see the shift to a freewheeling landscape of generic top-level domain names (gTLDs) as logical and very au courant. They argue that the shift in nomenclature should be viewed more as a natural part of the Web's evolution, and reflects digital's newfound place at the center of our daily lives. Search engines, truncating tools like bit.ly, and QR codes now frequently substitute for the '90s-era need to type individual Web addresses. If cocacola.com switches simply to coca.cola, proponents of the overall change say the world will surely adapt.

Whether the new policy is good or bad, its magnitude is hard to overstate: Future generations will likely look at the dot-com dominant Web with quaint nostalgia, much like most of us view the black-and-white television set. Ready or not, the shift is expected to begin taking effect by mid-2013.

What's a brand to do? The public may adapt to the new system well enough, but does that mean your brand should feel emboldened to make the leap? Since name recognition strikes at the heart of successful branding, the choice to switch addresses or stay put at a standard suffix could prove highly consequential. After all, the landscape is littered with brands diminished by strategic moves that ultimately backfired, confusing or angering their clients and customers.

In the near term, Interbrand's advice on the dot-brand issue is decidedly pragmatic. Deciding between a stalwart dot-com and an unconstrained gTLD should be determined largely by factors like cost and budget (\$185,000 per application), the nature of the product or core offering, and whether a brand sits at the base of many sub-brands.

The role played by each brand on the Web is also highly significant. "If a brand does not already invest significantly in creating an online destination experience, securing a gTLD will not be enough, in and of itself, to capture attention and loyalty," cautions Paola Norambuena, Interbrand's executive director of verbal identity for North America.

As the world of gTLDs takes shape, Interbrand will continue to offer perspective on which brands should consider a change and why. However, "patience is the real watchword," as Norambuena noted in a recent research paper. Unlike the first dot-com land rush, there may be more gained by waiting to see how the new Web begins to behave.

To begin our ongoing discussion, let's cover some dot-brand basics and make some preliminary inferences based on the first round of gTLD filings. Well into the first half of 2013, vigilance — as well as Paola's well-sounded note of caution — will be needed by brand managers.

#### **Dot-brand pioneers**

After reviewing applications from companies worldwide, ICANN published in June a list of the first 1,930 requests and their more than 1,400 requested gTLDs. According to the brand protection firm Mark Monitor, 34 percent (about 650) of the initial gTLD bids were made by brand owners, many for generic terms.

Thirteen applications were submitted to own .app; 11 for .home and .inc; and nine each for .blog, .book. .llc and .shop. Other highly sought gTLDs appear to be .design, .movie, .store, .hotel, and .news. Internet giants Google and Amazon constitute a sizable number of these applications — Google for .app and .cloud, and Amazon for .mobile and .music, among others.

Smart moves? For Google (which applied for 101 strings), Amazon (which bid for 76) and others, the answer may be yes. Though generic terms cannot be registered as trademarks, the ownership of a word in the dot-brand sphere could prove tantamount to being closely associated with its qualities. If L'Oreal succeeds in its effort to own .beauty, for instance, it could make the brand and the idea of beauty synonymous.

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For L'Oreal, the high registration fee would instantly prove its value.

For other entities like the Vatican —which has moved to own .catholics — a gTLD would merely extend a primary or tertiary relationship with a chosen word into cyberspace. It's most likely a good decision for any organization that can afford to make such a move, though unlike before, a defensive monitoring system will help brands and organizations ensure gTLDs are not unfairly appropriated.

In coming months, ICANN must move through applications to decide what makes the most sense in each case. Approving a gTLD for a church and its faith may be simple, but .cloud is another matter: seven brands are seeking it as their own. Meanwhile, Facebook could well decide to challenge Amazon's application for .like, and other slugfests may erupt over gTLDs that could work to devalue the digital outposts of competitors. (The owner of .photo, for instance, might feel the value of the gTLD is diminished if a similar brand owns .photography.)

ICANN says it is open to disputes being worked out among competing parties, which makes co-ownership of a gTLD technically possible. But all-or-nothing clashes could prove complicated and costly, since ICANN will award a disputed gTLD to the highest bidder. Though Google and Amazon work together on a variety of Web policy issues, for instance, a tussle between

them could extend to at least 20 different naming strings.

Initial data also revealed:

- The domain registry Donuts Inc. made the biggest overall bid for gTLDs, applying to own 307 generics (.art, .blog, .charity). (In September, a Boston law firm strengthened its objections to the sprawling move.)
- Despite the Association of National Advertisers (ANA) having advised otherwise, nearly a fifth of their 500 members applied for a gTLD nonetheless.
- Facebook, Twitter, LinkedIn, eBay, the Red Cross and the Olympic Games do not appear to be vying for gTLD extensions.
- Microsoft applied for 11 gTLDs (.bing, .hotmail. and .xbox among them), while Apple applied only for .apple.
- The satellite TV provider Dish Network applied for the gTLDs. direct and .dtv — noteworthy because its chief competitor is named DirecTV. A Dish spokesman told AdAge in June that the company's move is tied to potential use of the dot-brand addresses for future marketing initiatives. Perhaps surprisingly, DirecTV said it is not planning to challenge the bid.

#### Motives behind the moves

At this state, three key principles or concerns appear to be propelling gTLD applications:

Authenticity. By placing their company's name to the right of the dot, some brand managers feel it will telegraph authenticity as consumers navigate an Internet stalked by Nigerian royalty scammers, data raiders and identity thieves. David Green of KPMG, a professional-services firm, told The Economist that owning .kpmg will allow control of the domain to stay solidly within his company and erase any doubt among clients that they've landed in the right place.

**Ease.** For the globally recognized British Broadcasting Corp. (BBC), applying for a dot-brand made sense because of its broad consumer orientation. It also may have a good effect on the brand overall, as television and the Internet become more integrated. The dot-brand "might ensure content is even easier to access and navigate for our audiences," Matthew Postgate, its controller for research and development, said recently.

**Concern.** As Interbrand's Paola Norambuena mentioned, utility will likely reign supreme in any decision to create a dot-brand. Unlike years ago, when establishing at least some presence on the Web quickly became a necessity, dot-brands should be supported by additional rationale. The ANA statistic showing many brands registering for gTLDs in spite of the association's counsel to the contrary could suggest that several

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are bidding for dot-brand space because they feel not doing so may render them latecomers to a playing field defined by others. The urge to be present in the dotbrand landscape seems powerful.

### Staying vigilant in the months ahead

Even if your brand is leaning away from eventually filing for a dot-brand, now is the time for vigilance. The coming shift will have many implications, and brand managers can act now to ensure they aren't taken by surprise.

Currently, ICANN is evaluating the nearly 6,690 comments it received on the initial applications before its late-September deadline, and is processing about 300 applications per month. An ICANN panel devoted solely to geographical names — determining who will get to end their addresses with .vegas or .nyc, for instance — is expected to finish its work by the end of 2012.

It's important to remember that formal objections to others' bids can still be made up to January 12, 2013. That makes the end of this year an ideal time for brand managers to take the following steps:

- Review ICANN's list (
  —hotlink) to see
  who in your category is vying for a dot brand. Work now to determine if any of
  the new proposed gTLDs incorporate
  trademarks, and be prepared to file an
  objection (
  —hotlink).
- Review generic bids, like those made by L'Oreal (← hotlink), to determine if a competitor has applied to own a generic industry term that may leave your brand at a disadvantage. (The World Intellectual Property Organization will handle disputes.) Remember, you have only until mid-January to make your case.
- Monitor or register with the Trademark Clearinghouse. ICANN has established this Web location, expected to be operational by early 2013, as a place for trademark holders to register with the organization to prevent cybersquatting or misappropriation.

A brand can be registered with the clearinghouse even if it is not a registered trademark. However, it's not a foolproof system: Slight variations of names or trademarks will still likely get through.

**Prepare for opportunity.** Patterns revealed in the first iteration of the dot-brand Web, with 1,000 new root gTLDs, will point to opportunities for brand managers. Not all words will be taken right away, of course, and the initial round of approved addresses will provide a preliminary framework for how the gTLD landscape will ultimately be defined. Be prepared to study developments and act in the second round, allocating budget and time to see where it's smart for your brand to land. Sitting out the first round may make sense — but acting in the next round may also be smart, too.

Over the next few months, it will be important for brand managers to keep their qTLD strategy grounded to their larger Web strategy. Brands oriented toward consumers will need to pay especially close attention to how retail online is affected overall by the switch. Ultimately, joining the dot-brand community may prove necessary if the new style turns out to be wildly successful with consumers or becomes predominant. For business-facing brands with less Web utility, vigilance will trump the immediate need to reposition. Watch, along with us, to see how the terrain evolves, and be prepared to protect your brand against critics and imitators.



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