"The New Generic Top Level Domain Programme - Opportunities and Challenges"

Introduction

The **New Generic Top Level Domain Program**(the "New gTLD") refers to the Internet Corporation for Assigned Names and Numbers (the "ICANN")'s program meant to add an unlimited number of new gTLD's in the Internet Domain namespace, with an aim *'to foster diversity, encourage competition, and enhance the utility of the Domain Name System'.*[1]

The given program is the result of the series of policy development process of the ICANN's Generic Names Supporting Organisation (GNSO) for introduction of new generic top level domains based on the trial rounds conducted in 2000 & 2003.[2] The concept of expansion of gTLD was envisaged in 2003, with an aim to 'open up' the Internet and allow registrants to identify with certain words, geographic location and even some brand names.

Prior to the commencement of the NewgTLD program, there were only 22 gTLDs (such as .com, .net, .org etc.) along with over 250+ Country Code Top Level Domains [CCTLDs (.in, .fr, .cn)]. However, theNewgTLD has opened up avenues to obtain an alternative domain name registrations. It allows companies, communities and other established organisations to apply for the (Generic) Top-Level Domain[3] Strings. It aims to increase competition, foster innovation and provide users with a greater choice pool in the Domain Name Space.

The application strings under the program broadly fall under the following categories:

> ***Brand TLDs:*** *TLDs representing the brand names of the organisations, which help the brand owners in protecting trademarks, enhancing trust and creating new ways to extend their brands.*[4]
> ***Communities TLDs****: Restricted to specific communities (like minded organisations sharing common goals, missions and challenges) with high degree of social awareness. For e.g. .catholic, .sikhs etc.*
> ***Geographic TLDs:****TLDs representing a particular city/ region through which the region can be promoted for greater recognition. For eg. .goa, .paris*
> ***Generic Terms TLDs:*** *TLDs with generic terms, which do not fall in the above three categories.*

---

[1]http://www.circleid.com/posts/20110620_icann_approves_new_gtld_program_applications_accepted_january_2012/
[2]http://newgtlds.icann.org/en/about/program
[3] "Top-leveldomain refers to the series of letters (also known as a "string") to the right of the dot.
[4]http://www.verisign.com/en_US/channel-resources/domain-registry-products/new-gtlds/index.xhtml

Furthermore, the programme also allows for the introduction of domain strings in non-roman/ latin language scripts i.e. domains in languages like Arabic, Chinese, Cyrillic etc.), also referred to as Internationalized Domain Names.

Applicant Guidebook

The process of securing a NewgTLD is very extensive and the requirements for the same have been laid down in the Applicant Guidebook.[5] The Guidebook includes guidelines for the applicants, costs, and clarifications on the delegation process. Furthermore, the guidebook provides for a system for dispute resolution (both *ex ante &ex post delegation)* along with other provisions such as rights of third parties to challenge the delegation, system to protect the parties and limit the risks etc. The Guidebook was a result of a process involving several open, inclusive and transparent public consultations, reviews and inputs from different stakeholders. The first draft was prepared in 2009 and was approved by the Board of Directors in June, 2011 after incorporating various reviews and proposed amendments.

Program's Progress

As of August 7th, 2015, the progress made under the program has been displayed below:

Particulars	Quantity
Applications Received	1930
Completed Applications	729
Applications Withdrawn	542
Applications (Not Approved)	49

[6]

Geographic Division of the Applications[7]

Particulars	Quantity
North America	911
Europe	675
South America	24
Africa	17

[5] https://newgtlds.icann.org/en/applicants/agb
[6]http://newgtlds.icann.org/en/program-status/statistics
[7]*Ibid.*

Particulars	Quantity
Asia Pacific	303

Challenges and Opportunities for India

India has one of the largest 'E-Commerce' markets amounting to 11 Billion USD growing at a compoundable rate of 37%.[8] Moreover, India has the second largest number of Internet Users after China.

Present Scenario in India

Counterfeiting Products: India is currently ranked to have the 11th biggest black market in the world, leading to a loss of 12 Billion USD every year. Even in the E-Commerce sector, anyone with basic common coding skills can build a very good and plausible copy of a brand's website in a few hours. Additionally, 78% of the consumers are of the opinion that they will shun a company if they found themselves on a bogus website pretending to be that brand[9] thus, creating an irreparable damage to the brand's reputation and the customer base.

Non-English Speaking Population: India has a significant population of netizens who have difficulty in understanding English. Thus, the introduction of IDNs in non-roman languages provides a platform for them to understand the activities on the Internet in a better way.[10] Furthermore, it provides a platform for more localized content relevant for specific communities and people.

Fake Products in India: As per a survey conducted by the Associated Chambers of Commerce and Industry, the market for fake luxury goods in India is as high as 45%. Additionally, deceptive websites delivering such products have their domains registered outside India, thus making it more difficult to mitigate damages.

Benefits offered by the NewgTLD program

Innovation:A unique and innovativegTLD appears to the customer and provides a talking point. It provides an easier opportunity to create an online brand with low barriers and access to international market.
Focus:Sector specific domain names provides for priority in natural searches. Further, one can set its own rules and price for registering under your TLD.
Trust:Promotion of consumer trust in certain gTLDs as they'll know that they are engaging with genuine organisations and brands.

---

[8]*Net Names & Internet and Mobile Association of India*, Staying One Step Ahead In The Digital World-An Indian perspective on the Growing Pains of the Internet.
[9]*Ibid.*
[10]*Ibid.*

Organization and Localization:*Specific gTLDs will enable separate sites/ sub sites for particular topics. The program also assists in enabling gTLDs to specific cultural groups defined by factors such as location/culture.*
Unique Differentiation: *'.BRAND' domains enable brands to uniquely differentiate and tailor the online experience by integrating the brand and products for their customers.*
Lesser reliance on Search Engines:*Promotion of specific website destination through descriptive nature of new gTLDs, thereby reducing the reliance on search engines.*
Consumer Convenience:*Dedicated online content on a specific & relevant Internet identity that is compact, relevant, meaningfuland enables consumers to find products easily.*
Security: *New gTLDs provide the users/brands with an added layer of security/brand authenticity along with short and memorable names.*

Other benefits include: *Entrepreneurship, Community engagement, Innovative Business models & Innovative Marketing Opportunity, prevention ofcybersquatting.*[11]

India's participation/ response to the NewgTLDProgramme

Survey query- How important are the New InternationalisedgTLDs to the business?

Particulars	Percentage
Very Important	20%
Important	25%
Irrelevant	**32%**
Unsure	23%

In spite of comparatively high awareness about the NewgTLD program, India's participation in the program remains significantly low at a mere 0.64%. The issue regarding the migration from the existing TLD is the major concern for the Indian Market.

While there has been some activity witnessed by certain established organisations such as Tata Group ('.TATA' application), Mahindra & Mahindra ('.MAHINDRA'), Reliance Industries ('.RELIANCE'), the program largely has seen very few applications from India. In the Asia Pacific Region, Dubai based Radix had applied for 31 new gTLDs, thus making it probably the largest applicant in Asia.

---

[11]http://newgtlds.icann.org/en/about/benefits-risks

The new IDNs have also witnessed a very few applications for domain strings relevant to the Indian Market such as sangathana in Devanagari, which translates, to 'organization'.[12]

Only 1 in 5 organisations have so far set aside specific budged to start investing in the new gTLDs.

The participation is low despite when 38% of the businesses feel that New gTLDs will provide a more personalised experience for internet users and make it easier to navigate and 34% of the people feel that Internet Users will be more likely to type address directly into the browser with the release of the New gTLDs.[13]

Other reasons for booming India's participation in the NewgTLD program

*ICANN Accredited Registrars in India:*Out of the 1000 accredited Registrars, 21 are in India i.e. more than the total number of Registrars in Africa, however, lesser than that of China (44). Thus, accreditation helps in obtaining domain names directly from the registry, thus, resulting in lower costs.
Second largest user pool in the world with a significant scope of growth as only 35% businesses offer online services.

*Currently none of the Indian languages feature in the top 10 on Internet.*However, the IDNs under the NewgTLD program if successfully adopted will lead to a wave in the availability of content in local languages.

Challenges and reasons for low participation of India in the NewgTLD program

Cumbersome Application Procedure: An application for a gTLD requires a lot of preparation. The process includes answering over 50 questions which may entail submission of approximately 250 pages of documents such as proof of legal establishment, financial statements etc. Collecting and streamlining such a variety of documents and information requires coordination between various departments and is very time consuming. Ergo, complexity of the application process necessities working with an experienced service provider for registering a New gTLD.[14]

*Pricing:*Registration of a NewgTLD can be very expensive. The application is required to make an initial deposit of USD 5000 for registering for the TLD Application System, followed by a payment of USD 180,000 before the review by the ICANN. While the provision for refunds is available, however, the refundable

---

[12]*NetNames&IAMAI,*Internet 2020 *An analysis of how New gTLDs will transform the Internet,*
[13]*Ibid.*
[14] Dennis S. Prahl& Eric Null: The New Generic Top Level Domain Program: A New Era of Risk for Trademark Owners and the Internet, available at:
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1976382

amount reduces at each stage.[15] Registry operators are required to pay ICANN at least USD 25,000 annually and the registry agreement with ICANN requires a 10 year commitment. Ergo, for an entity looking to invest in a gTLD, costs fall between USD 500,000 to USD 1 Million for the first two years. Such an amount is inaccessible to majority of businesses in India, particularly the start-ups.

Risks and costs involved in branding a site on a new extension:Making market mold to these extensions and having consumers remember the brands and correct strings will be a challenging task, particularly in the light of path dependence on the pre-existing TLDs such as '.com'. Furthermore, marketing of these domains to the consumers also involves a huge expenditure.

Skepticism around universal acceptance of Domain Name:Having a New gTLD accepted universally entails several issues.

Strategies to overcome these challenges and promote NewgTLD program in India

Education and creatingawareness:Significant percentage of mid-scale consumers are currently unaware of the new gTLDs. Thus, there is a needfor educating the customers about rapid change in the Internet and how to utilise this opportunity. This involves acquainting them about the benefits of the New gTLD strings and provide suggestions on possible domain names for them and help them formulate a vision for their business.

Adopting a Multifaceted approach:There is a need for adopting a multifaceted approach including but not limited to holding workshops, banners. logos, white papers, free giveaways etc. to spread awareness about the New gTLDs and its benefits. Furthermore, consumers also need to be educated about how the benefits of the NewgTLDs outweigh the investment costs.

Presenting Different Possibilities:The needs for domains will be different for customers for different reasons. Thus, efforts should be made to provide businesses with all different possibilities of strings best suited for their businesses.

Co-operation between registries and resellers regarding the sale and marketing
Creating Awareness about the utility of New gTLDs

---

[15] Once the applications are published (two weeks after close of application period), applicants can begin withdrawing applications. During this first period, an applicant would be refunded 70% of the fee, or $130,000. After initial evaluation results are published in November, withdrawing applicants would be refunded 35% of the fee, or $65,000. Once applicant goes through dispute resolution or an extended evaluation, if applicant withdraws, it is refunded 20%, or $37,000..++54+