

# CUSTODIANS OF IP & BRANDS MUST RECALIBRATE THEIR ONLINE PRESENCE IN 2009

**T**he proposal to expand domain name availability means custodians of IP & brands must recalibrate their online presence in 2009. The increasing complexity of domain name registration has created a major challenge for large marketers and for the custodians of leading brands in particular.

It's no wonder that responsibility for registration is gradually moving from the IT department to legal. Today, the area is a minefield of confusion. In June 2008, ICANN, the organisation overseeing the internet, announced proposals that may radically change the domain world's structure, in a way which will significantly affect every major brand owner. Consequently, anyone responsible for a brand may need to recalibrate their online presence this year.

Today, domain name extensions are limited to country code Top Level Domains (ccTLDs), such as .co.uk, and just 21 generic Top Level Domains (gTLDs) such as .com. ICANN's new proposal is that there will be an unlimited number of gTLDs representing communities, interest groups such as .finance but also companies, so that the possibility of .yourbrand is opened up.

This has significant implications for business users of the internet and has met with criticism from a number of fronts, including business and the US government. For example:

- Proliferation of domain extensions offers increased opportunities for abuse of brands online through cybersquatting, used to misrepresent major brands, and illegally draw traffic from their genuine sites. This means businesses may have to "defensively" register the names of their brands in hundreds of new extensions, at significant cost.
- The opportunity to create a gTLD around one's own brand is interesting but the cost of application and ongoing fees to ICANN would appear significant.
- There is a risk that competitors, or those with alternative claims to a name, gain a gTLD, thereby confusing a brand owner's customers. For example, .orange could be applied for and secured by a growers' consortium, which may conflict with the interests of the mobile telephone company, Orange.

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**Charlie Abrahams reports**

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- The timetable laid out by ICANN is quite short for such a complex process.

However, on the positive side, it is a terrific opportunity for brand owners to “own a piece of the internet”, which they would truly control and legislate (within bounds set by ICANN).

Using the above example, if the brand owner won .orange, they could, depending on the policies specified by the brand owner, have complete authority over who owned or did not own a .orange domain. This means that, as well as offering interesting marketing opportunities, they could ensure that any .orange domains were genuine, offering complete control over their brand on the internet.

Whether they wish to protect or promote their brands – or both – firms know they should have a domain portfolio strategy. However, they often don’t know how to achieve it or to whom the responsibility falls.

Because web commerce – and consequently web crime – have grown so fast, addressing the issues it raises has inevitably fallen to staff or departments on an ad hoc ‘crisis management’ basis. As a result, the decentralisation of account management and lack of standard procedures have unwittingly allowed the expiration of domain names or their loss to cybersquatters.

But as domain names start to be viewed as intellectual property, their strategic context becomes more important and, increasingly someone with authority and strategic understanding is needed to drive it. Arguably, the best steward of a firm’s web presence is its CIO.

By the nature of the role, the CIO can draw upon the combined knowledge, skills and experience of the legal, HR, customer service and marketing departments to formulate the most appropriate strategy. The strength of a comprehensive and effective domain portfolio strategy is that it reflects those contributing to it and thus gains their keen support.

Through an often board-level understanding of a firm’s broad strategic objectives and through working closely with discrete departments, the CIO will know, for example, whether brand abuse and trademark dilution are its chief concerns. Or alternatively, whether the firm should focus on worldwide brand promotion and increasing web-generated revenue.

Say a firm faces a loss of domains due to unintended expiration, domain hijacking or even cybersquatting. The CIO can – by working with the PR team to respond to media enquiries regarding the event, with legal to determine the best course of action and with marketing, to notify customers of potential scams – ensure the firm responds quickly and greatly reduce corporate exposure and expense.

Through their unique position within 21st century corporations and with the right agencies to inform and support them, CIOs can be the lynchpin in the implementation of a successful domain portfolio strategy.

Overall, this promises to be a momentous year for business users of the internet with domain names genuinely becoming a strategic issue and an important board level discussion point.

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