

# New gTLD Impact Study Status Report II

Wednesday, May 10, 2017

# Snap Shot of Who Answered

- **Opened: January 9, 2017**
- **Closed: February 28, 2017**
- **Data broken down on Report Slide 3**
- **Sent to 1096 INTA regular members (large corporate, small and emerging, not profits)**
- **Questions (based on CCT-RT input) and Worksheet**
- **33 Responses – 32 For Profit/1 Nonprofit**
- **Data has been analyzed and reported with a copy forwarded to CCT-RT**

# Challenges with Completion

- 93 entered the survey
- 33 completed
- 48 suspended
- 9 did not qualify
- 3 were in the survey when it closed and unable to complete (we were strict on time due to extension)

# Challenges with Completion

- Too long/time consuming (5-10 hrs.)
- Some staff given strict time allocations for response
- We don't keep numbers this way
- Information is too confidential to share even with NDA/3<sup>rd</sup> party provider
- Information dispersed throughout company
- Worksheet did not correspond to all of the questions that required data
  - *in response to this point INTA plans to update the worksheet and provide it as tool for its members. This should help in follow-up studies.*

# Making Meaning of the Data

1. Given the response rate, we would say that results are an *indicator of a trend* and not the trend itself
2. This is a new endeavor for INTA and given that the survey was an onerous one in terms of data extraction, we are pleased with the participation of our members
3. We aim to continue to review gTLDs issue more thoroughly and the starting point is the refinement of the survey worksheet as a tool for data collection that reflects real world practice and satisfies the need for information at outlined by the CCT-RT

# Breakdown of Report

Heading	Study Slide No.
Background	2
Notes on Reading Report	5
Members Who Participated	6
Key Findings/Summary	8
Domain Name Activity	16
Enforcement Costs	27
Behaviors, Policies Perceptions	46
Summary Thoughts	55
Appendix - Additional Verbatim Comments	57
Appendix – Survey and Worksheets	61

# Registrations of New TLD's are Overwhelmingly Defensive

Registrations of new TLDs were overwhelmingly made for defensive purposes—to prevent someone else from registering. As such, few (10%) of the respondents felt there were alternative domains to consider—whether registering a New, Legacy or ccTLD.

Study Slide 9

# Trademark Defense Costs Have Increased

The New gTLD program has increased the overall costs of trademark defense with internet monitoring and diversion actions as the largest line items.

Average costs for all TLDs for 2 years = \$228,000

For new TLDs for 2 years = \$40,528 (Approx. 7%)

Study Slide 20



# New gTLDs are Parked

Domain names registered by brand owners in new gTLDs are commonly parked and not creating value other than preventing unauthorized use by others.

Study slide 9

# Company Size Does Not correlate to Company Spend

- Brand activity appears to be the driving factor for costs not company size.
  - *Brand activity refers to the number of trademarks and how much activity is around trying to protect or expand them. A big company with one brand in a not very dynamic market would spend less than a smaller firm with multiple brands in dynamic markets. Or two similarly sized companies could still vary internet expense costs based on number of brands and the nature of their brand strategy.*

Study Slide 56

# TMCH Registrations Are Used by Majority of Respondents

The majority of respondents (~9 in 10) registered at least 1 trademark in the TMCH, with 6 in 10 registering 1-10. Costs run the gamut, ranging anywhere from \$1 to \$48,000.

Average Number: 15

Median: 7

Range: 0 – 148

Average Cost: \$7,773

Median: \$4,038

Range: \$1 - \$48,000

# RPM's are Helpful

Two-thirds of the respondents surveyed feel that UDRPs and required sunrise periods have helped mitigate risks to a major/moderate extent.

# Premium Pricing

Three-quarters of the respondents evaluate premium pricing for domain names on a case-by-case basis.

Two-thirds of their domain name registration decisions have been affected by premium pricing with .sucks being mentioned the most as a TLD that they did pay premium pricing for.

15% of respondents refuse to pay premium pricing at all

Study Slide 48

# Registrant Information is Difficult to Obtain

Among brand owners who have taken action against domain name registrants, more than 3 in 4 involve privacy and proxy services and nearly 2/3rds encounter some level of inaccurate/incomplete WHOIS information.

Study Slide 41

## **Defense Not Choice is Driving Purchases**

While the goal of the new gTLD program is to increase choice, for brand owners, choice does not seem to be the prime consideration.

Study Slide 56

# Next Steps

- **Full Report Presented to CCT-RT**
- **CCT-RT to Review**
- **Possible follow-up meeting/presentation with questions**
- **INTA to develop tool for continuous tracking of costs**



# Questions?

Lori Schulman  
INTA Senior Director, Internet Policy  
[lschulman@inta.org](mailto:lschulman@inta.org)