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Domain Names – How Can Retail Brand Owners Navigate The Minefield?

A look at the .sucks domain name, and a strategy for the seemingly endless line of possible domain name registrations

The recent launch of the .sucks domain name is yet another potential headache for retail brand owners considering whether to register their company name in order to prevent opportunistic registrations by others.

The operator of the domain name, Vox Populi, offered brand owners priority to register their trade marks as .sucks domain names for a fee of around £1600 per year. Compared to the cost of registering and maintaining .com and .co.uk, this is relatively high, leading many observers to comment, with some justification, that Vox Populi is holding brand owners to ransom. Indeed some commentators have spoken of extortion, and there have been high-level complaints about Vox Populi, including some from governments, including the Canadian government, to ICANN, the “technical coordinator of the Internet’s Domain Name System”.

However, the system is up and

running and according to Vox Populi’s website, “dotSucks is designed to help consumers find their voices and allow companies to find the value in criticism”.

As a result of this, many brand owners have resisted the urge to register these domain names, but the issue is part of a greater problem for companies, particularly in the light of the recent gTLDs (generic Top Level Domains) offering the chance of exclusive ownership of a suffix such as .food, .shop or .bank. The catch is the cost of over £110,000 simply to make an application, and the downstream commitment to maintain the IT infrastructure necessary to operate the registry for at least three years.

Those retailers operating a business with an online presence will know that managing domain name portfolios is a time-consuming activity if the portfolio is managed actively. As it can often be a relatively low business priority, there can be a

temptation to take the line of least resistance and automatically renew (“autorenew”) all domain names. However, whilst this reduces the risk of losing key domain names by failing to renew them, it can lead to mounting costs. So businesses face an unenviable dilemma: they either save valuable time by autorenewing, or they invest time in a structured analysis of their portfolio.

If we take a concrete example, the holy grail for any business or brand is still the .com, which has now been in existence for 35 years. Even a single-brand UK business would probably consider adding .co.uk, but for businesses with multiple brands and a very justifiable strategy of wishing to own the domain names for those brands, and factoring in .biz, .mobi and other domain names, plus misspellings, hyphenations and the like, it is easy to see how costs can and do spiral. However, considering that a domain name itself is no more than an internet address, and the availability of traditional legal

remedies such as trade mark infringement and passing off proceedings, there is merit in adopting a more rigorous approach to burgeoning domain name portfolios which tend to grow like Japanese knotweed.

There are of course very many registrars and specialist domain name management companies. They are experts and will often conduct a detailed analysis of a domain name portfolio based on several factors, including web traffic, to enable companies to make a more informed decision about which domain names to maintain and which to abandon.

This rationalisation of a domain name portfolio is not only likely to lead to a reduction in overheads. It can also feed into overall brand strategy. For example, it can be an opportunity to formulate or refine strategy with a view to ensuring that the approach to domain name registrations is properly structured. It may even be possible to create a flowchart or other matrix according to which domain names should be registered, based on brand, markets and other commercial concerns. Best practice, where possible, is to register domains in the name of a single company, to make it easier to transfer them should the need arise. There should generally be flexibility within these suggested guidelines, to take account of unusual or otherwise important new brands.

Companies such as Apple are likely to have a robust domain

REGISTER DOMAINS IN THE NAME OF A SINGLE COMPANY AND BE FLEXIBLE TO TAKE INTO ACCOUNT NEW BRANDS

name strategy which would encompass owning as many APPLE-prefixed domain names as possible. However, despite a budget likely to be very large indeed, Apple would probably draw the line at seeking to own all WATCH-prefixed domain names. Indeed, applewatch.com, apple-watch.com and iwatch.com are currently owned by other parties.

This reflects a pragmatic approach in which key domains are registered. As mentioned, this does not rule out seeking to acquire domain names from third parties, either by cover or overt acquisition in return for a sum of money, or by using domain name dispute resolution mechanism or other legal means of redress. There is though a clear benefit in a structured approach to domains. The reduction in costs from registering fewer domain names should permit retailers to allocate more budget to fighting key battles on the intellectual property front, whether they are with infringers or cybersquatters. ■

THE RATIONALISATION OF A DOMAIN NAME PORTFOLIO CAN FEED INTO OVERALL BRAND STRATEGY

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