



Asia Pacific Top Level Domain Association – [www.apTLD.org](http://www.apTLD.org)

APTLD Guide to  
**New Domain Services**



APTLD is the Association of Top Level Domain Operators in the Asia Pacific Region

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## About this Guide

Top-Level Domain Registry operators (ccTLDs and gTLDs) exist to serve their respective communities. They should regularly review their policies and operations to make sure that they are serving their community well. This review may result in the introduction of new services, new classes of names, or the re-opening of previously closed name spaces.

ccTLDs have been behind some interesting innovative changes and services provided by registries. As a group, ccTLDs represent a highly diverse set of communities and offer a wide range of different services and models.

This guide looks at different services and ways that new services can be introduced. It's aimed at managers who, after consulting with their communities, have determined that new services or changes to the existing services are warranted.

What this guide does not attempt to do is to identify the most efficient, effective, or successful method of introducing new services, or to determine the best way to introduce it.

What works best for one registry may be a poor choice for another. A quick look at the myriad of different ways that registries have introduced sunrise periods, for example, shows that each new service needs to account for the local as well as global environment.

It is also worth noting that in such a vibrant environment it can be difficult, even impossible, to predict how popular a service will be. Sometimes expectations are exceeded; sometimes they fall short.

This guide will, we hope, provide some ideas, examples, and pointers for how to be successful when introducing new services.

## Why introduce new services at all?

### **Community and customer demand**

Listening to your community and customers will reveal aspects of your operation that are inefficient or frustrating. Domain names are a global business and if you don't continually improve and expand, your customers may go elsewhere. Renewal terms, registration restrictions, and ease of use are frequent sources of complaint. Communities want services such as security, multilingual support, and support of technological advances.

### **Competition**

New services can help boost competition within your namespace and lead to greater flexibility, new add-on services, new customers, new channels, and a larger and healthier domain ecosystem. Registrants may see innovation in a different name space that they also want to see in "their" community.

### **Choice**

By expanding the choice of available services and channels, you can help your customers realise their goals rather than making them work around your systems. Only a small percentage of Internet users have ever bought a domain name; choice may be the key to encouraging some of them to do so for the first time.

### **New opportunities**

Internet technology is constantly changing, providing technical advances that can be put into new services, as well as removing old limitations, e.g., a restriction on two-letter domains.

### **Change in the market**

The introduction of hundreds of new generic top-level domains that represent everything from world-famous brands to generic words is the biggest current example of how the market for domain names continues to change rapidly. If you don't respond to changing market conditions, you risk falling behind within a few short years.

## **Change in online habits**

People's use of the Internet is always in flux and with it the demand for domain names. A recent trend has been the desire for shorter and simpler domains, a situation that has led to a significant change in perspective over second- and third-level domains.

## **Update systems**

Every system eventually becomes outdated, whether software and registration systems or policies. New services can help trigger a refresh of a registry and fix old problems at the same time.

## **Industry best practice**

If everyone else is doing things differently, usually there is a good reason. Embrace the broader wisdom and launch a new service to meet it.

## **New technologies**

As new technologies such as Domain Name System Security Extension (DNSSEC) and IPv6 are developed to make the Domain Name System (DNS) more safe, secure, and resilient, registries should consider providing them to their communities.

# **Who needs to be considered?**

## **Your community**

TLDs, particularly ccTLDs, are there to serve their communities. ccTLDs are the local stewards for their community's place on the Internet. The wants, desires, and needs of their communities are the core focus of registry operators.

## **Existing customers**

The reality of domain-name operations is that whatever new service you offer, most of those who adopt it will be existing customers. As a result, any new service should try to ensure minimal disruption to the status quo. You may even wish to offer a new service for free (at least for a period of time) to existing registrants or registrars. Any new service should be seen by the current market as a useful expansion rather than a threat.

## **Channels**

Make sure that you consider your existing channels to markets, generally registrars and/or resellers. They need to be included in your consideration and consultations. You also need to make sure that your staff understand the new service and that your structure and capacity are prepared to service your customers and channels. And consider where you may be able to grow existing channels or add new ones.

## **Government and other authorities**

Make sure that you have considered and consulted government (both local and central) and other relevant organisations (political parties, religious groups, regulators, and so on) before releasing a new service. Sometimes it is sufficient to keep relevant parties informed; sometimes it is necessary to make sure their input is included and addressed; and other times you may need to develop a specific approach, such as a first right of refusal.

## **Trademark holders**

Not only are businesses large domain-name registrants, they are also well-resourced and highly protective of their brands and protected names. For every new service, it pays to consider the views of companies that have registered their names through a national or international trademark system. If you do not intend to give trademarks a priority right, be prepared to explain in some length, and repeatedly, why not.

## **New customers**

A successful service will bring in new customers—but it won't happen automatically. Existing customers can be a poor measure of what new services are needed or will be successful. When developing a new service, make sure you reach out to people who are not current customers and ask their views. It is important that they see any new service as a new opportunity rather than an additional service to the existing system.

## What new services have been offered?

### Second-level domains

Opening up the second-level does away with regimented naming structures that characterised the early Internet when different types of registrants were expected to fit within predefined spaces. An open system reflects an increasingly blurred distinction of what registrants want to do with their names. Recent registries opening up their second-level include .nz and .uk.

### Premium names

Shorter = Better has been a persistent theme in the industry. After-market domain sales for hundreds of times the registration cost have led some registries to work out ways to benefit from the release of “premium” domains. Such domains can be sold to the highest bidder at the start of a larger policy shift, for example the release of second-level domains for the first time. Another common premium release is that of single- or double-letter domains, e.g., “.a.tld”. Common words, e.g. “books”, also have a premium value. Many new gTLDs have identified names that they consider having a premium value, and these gTLDs are setting different pricing for these names.

### Numbers

Even though domain names are designed to translate words into numbers, the use of numbers in the everyday world continues to drive interest in domains with digits. An effort to connect telephone numbers to domains in (ENUM) never took off, but some registrants may see value in having a number for a name—it could make a nice birthday present, for example.

### IDNs

Internationalized Domain Names (IDNs) allow people to use different scripts within their domains or include character-specific additions such as accents. Providing the ability to register domains beyond the “English” ASCII characters can provide non-English speakers with a good reason to register a new domain. After consultation with the community, New Zealand (.nz) introduced macrons into their name space to support Maori, an official language that uses macrons.

## Security

Some customers may be willing to pay for greater security. Domain locking is increasingly common, but multipart authentication is also growing in popularity. High-security options include person-to-person contact before DNS details are changed. The Hong Kong registry (.hk) and others introduced name locking as a premium service in 2013. Greater online authentication and new technologies such as DNSSEC can help drive sales and renewals.

## Dropped domains

Roughly a quarter of domain names registered each year are not renewed. Most are then registered by another party. There can be value in following Sri Lanka's (.lk) example by offering services that help organizations identify which domains will be released to the market and provide simple registration for them when they become available.

## Third-level domains

New second-level spaces such as "me.uk" or "geek.nz" can offer a personalized space under an existing registry and so bring in new customers looking for a specific name already registered in a different second-level space.

## Simplified registration

Longer registration periods are popular with established businesses. Auto-renewal of domains is also very helpful to customers. Both are often by-products of moving to a new registration system. Some registrants may also want shorter registration periods. New Zealand's (.nz) shortest registration period just 1 month.

## Different criteria for different third-level domains

Hong Kong (.hk) allows open registration at the second-level, but registrations within .com.hk must reside in Hong Kong.

## How have the services been rolled out?

After you have consulted the community and decided what to do, the next step is to determine how you're going to do it.

## **Pre-launch planning**

The registrars, resellers, and your own staff need to be involved during the pre-launch planning phase to make sure that they are ready for applications for new names or new services. Registry systems need to be tested to make sure that they can support the new services, and any previously applied restrictions, particularly any that might be hard-coded in the Registry System, need to be removed. Media and marketing plans also need to be developed, and community stakeholders should be included.

## **Cut-off dates**

When roll-out of a new service includes some kind of priority right, it may be necessary to limit gaming of the system—the purchase of existing domains solely to be eligible for new ones, for example—by introducing cut-off dates. The further the cut-off date is from launch, the more effective it will be. Often a cut-off comes immediately after the decision to introduce a new service, and sometimes it is even earlier in order to prevent insider trading.

## **Sunrise**

Sunrise is the most commonly used system to deal with competing interests in newly available name space. Sunrises consist of giving specific groups an exclusive window of time to register new domains. If they choose not to take advantage of this advance right, the domains are made available to the next group, and so on until the process reaches the open market.

This aspect is often the most critical aspect of a new name service and is the one area that needs to be planned carefully in advance. Because of its importance, sunrise is usually developed from feedback provided from others, and is then heavily promoted so everyone understands how it will work.

The difficult part with devising an effective sunrise is deciding which groups should be given priority over others, and then making sure only that group can take advantage of its sunrise period. The most common types of sunrise groups are registrants of existing domains and trademark holders, but many others are possible.

Usually one sunrise period requires registration so the relevant parties can be checked for eligibility. But depending on circumstances, there may be anywhere from two to four different periods. When Korea opened the

second-level of “.kr”, it gave priority first to the government, then to existing registrants with trademarks, then to the oldest existing registration, then to registrants in Korea, and finally to the open market.

### *Further examples*

When Colombia opened its second-level “.co” space, priority was given first to those who had existing “.co” domains, with the oldest registration granted priority. Then two sunrise periods for trademark owners followed—first for local businesses and then global companies. Then a one-day “landrush” occurred for high-value names.

In the United Kingdom, plans for sunrise rights for its new second-level “.uk” domains were changed several times in the course of consultations. Nominet (operator of “.uk”) eventually settled on a sunrise for existing domain holders but gave priority to those under the third-level domain (“.co.uk”) because it represented 95 percent of all domains in the “.uk” space.

One other key aspect to sunrise is deciding what restrictions exist on each group. For example, governments are often limited to specific organizational or geographic names, existing domain owners are often restricted to the same names they have already registered, and trademark holders to the specific names they have trademarked.

When the sunrise periods are over, “landrush” begins, where all remaining domains (excluding any premium domain held back for later release) are made available on a first-come, first-served basis.

### **Priority rights cut-off date**

In the case where a registrant of an existing third-level name is given priority over others, efforts to “game the system” are usually limited by introducing a cut-off date. Domains registered after a certain date are not given priority. When New Zealand started planning on opening up the second-level, they made the cut-off date when the registry first started public discussion—and had an even earlier cut-off date for members of staff, council, and boards—to make sure there was no perception of insider trading.

## **Conflict resolution**

A conflict-resolution process is needed if the rules do not have a definitive way of deciding registration rights. This situation is most common in a sunrise period for trademark holders since different companies are able to register the same word as a trademark in different markets or industries. Rules such as giving priority to the oldest registration can help avoid the problem (assuming registry records are complete and correct). Most registry operators have a tried-and-tested dispute-resolution process. But often an auction is used because it is faster and simpler, and it raises additional funds. Sometimes the operator opts out of the process altogether and tells potential registrants that they need to sort out the conflict between themselves before the domain can be registered.

## **Blocked registrations**

Particular domains are often blocked from registration, either for the registry's own use or through agreement with an authority, sometimes removing the need for an additional sunrise period. "Premium" domains may be retained by the registry itself and then released in an auction in order to maximise revenue. But the most common case is government-requested blocks. They typically range from a few specific names (for example, "gov") to a long list of protected names covering geographic locations, agencies, or even the names of officials.

## **Reservations**

An increasingly popular option to limit conflict with existing customers is to offer reservation of new domains for a certain period of time, usually without charge. This option enables the rollout of the new service without causing a backlash from existing customers. For second-level domains, the length of this reservation period has varied widely. The most common has been 2 years (also the most common domain registration period), but reservations periods have been as short as 30 days and as long as 5 years. If the domain is not registered after this period, it is then released to the open market.

## **Third parties**

A popular way to roll out new registry services is to leave it to three parties—usually registrars—to implement. Since it is in the registrars' interests to sell more domains and they have existing systems in place to deal with the demand, this option can be the easiest, cheapest, and simplest way to put new domain services on the market. Good examples include

extended registration periods, additional security, auto-renewal, and simplified transfers.

### **Premium price**

Specific domains—typically premium names—may be offered for a set price (calculated to be high enough to balance demand and supply) and on a first-come, first-served basis, sometimes with eligibility criteria. Premium domains may be auctioned off immediately after sunrise in order to build awareness of general availability and profit from excitement around the launch. A second set released approximately 6 months later can help reinvigorate interest in the registry. Most premium names are made available in a short window of time: either a 1-day special auction or a week-long bidding period.



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