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BE READY FOR THE NEXT INTERNET WAVE: DOT-BANK

by Robert M. O'Connell, Jr.

On June 13, 2012, the Internet Corporation for Assigned Names and Numbers (ICANN) — the entity that administers the domain system of the Internet — published the list of applications for the next generation of generic Top Level Domains (gTLDs). The gTLD is that portion of a domain name that comes after the “dot” (such as .com and .org), and ICANN had proposed a vast expansion of the gTLD universe with the possibility that new gTLDs could be created featuring almost any string of letters. Still, most observers were taken by surprise when it was revealed that applicants had paid ICANN’s large application fee

(more than \$180,000) to file 1,930 applications for 1,409 potential new gTLD strings.

The potential new gTLDs broke down roughly as follows:

- Approximately 650 for “.brands” and other closed or restricted domains, which would not be made available to the general public (e.g., .americanexpress);
- Approximately 600 applications for unrestricted domains (e.g., .xyz);
- Approximately 140 for geographic and community domains (e.g., .london, .catholic), many of them with restricted eligibility; and
- 116 for internationalized TLD’s in non-Latin scripts (e.g., Chinese, Arabic, Cyrillic)

As of early 2015, dozens of the new gTLDs were already open for general registration of second-level domains, and more than four million domains had already been registered, with .xyz drawing the most registrants.

A number of the proposed new gTLDs would be of interest to financial institutions, specifically:

- .bank;
- .banque;
- .credit;
- .creditcard;
- .creditunion;
- .finance;
- .financial;
- .forex;
- .insurance;
- .investments;
- .loan;
- .loans;
- .mortgage;
- .save; and
- .trust.

**CURRENTLY, THE .BANK GTLD IS EXPECTED TO BE LAUNCHED
SOMETIME IN OR AROUND JUNE 2015,
*WITH A SUNRISE PERIOD BEGINNING
A MONTH BEFORE, IN MAY 2015.***

Several of these domains have completed the contracting process and, by the time this article goes to press, may be open for registration of second-level domain names. Of particular interest to MBA members, however, will be .bank and .insurance.

In Sept. 2014, fTLD Registry Services, a joint venture formed by a number of financial services companies and trade associations (most notably the ABA and the Financial Services Roundtable) was awarded the right to operate the .bank and .insurance gTLDs. The domain was awarded by ICANN to fTLD over one other applicant with no connection to the banking industry. Under the terms of fTLD's application, the .bank domain is intended for use solely by financial institutions, and domains within this gTLD can only be registered and used by members of the banking community.

Applicants for .bank domains will need to supply documentary evidence (e.g., a bank charter document) to prove they are eligible members of the banking community. Proxy or anonymous registrations will not be permitted. In addition, fTLD has set up numerous

additional security measures and other eligibility restrictions in order to register and use .bank domains, to ensure that these domains can only be registered by bona fide financial institutions, and that sites operating at those domains will be (and will be recognized as) exceptionally reliable and secure. For example, websites operated at .bank domains will be required to employ Domain Name System Security Extensions at all domain levels; use at least NIST Level 3 encryption; and require multi-factor authentication for users. The goal is to create a new domain universe for banks and related companies, which will inspire confidence on the part of both banks and their customers.

fTLD has acknowledged that these added security measures mean that .bank domains will end up costing more than ordinary .com domains, although as of press time fTLD has not yet revealed their pricing structure. Early pricing information on other recently released new gTLD's show annual fees starting as low as \$12, but other specialized and/or highly desirable domains are expected to fetch

higher prices. As an extreme example, the applicant for the .sucks domain announced its intention to charge fees in the five figures, betting that brand owners will be willing to pay dearly to make sure that "brand.sucks" is under their control. Obviously, .bank domains are expected to fall somewhere in between those extremes.

Currently, the .bank gTLD is expected to be launched sometime in or around June 2015, with a sunrise period beginning a month before, in May 2015. The sunrise period permits owners of registered trademarks to reserve domains corresponding to their trademarks before the domains become generally available.

The coming of the sunrise period means the time is now for banks to assess the trademark status of their core brands in order to fully participate in the sunrise period and secure the rights in the .bank domains that correspond to their brand(s). This is going to be particularly critical for banks having commonly used words in their names (such as "national" or "community" or "peoples") where there

could be multiple legitimate claimants to the same or similar domains.

Whether you want to dive fully into the .bank universe, or if you only want to play defense and protect your brands against being coopted by others, banks should consider doing the following in advance of the sunrise period:

1. Conduct an audit of your current trademark holdings to verify that core brands are protected by federal trademark registrations. Most of the trademark protections built into the new gTLD regimes are limited to recognized trademark rights — and that usually means nationally registered marks (although some exceptions are possible, such as

trademark rights that have been recognized by a court).

2. Immediately file federal trademark applications for those core brands not yet so protected. Due to the time it takes to complete a federal trademark registration, filing now will not be in time to secure a registration before the May 2015 sunrise period opens, but at the very least it will provide the ability to take remedial steps — such as URS or UDRP proceedings — in the event a conflict does arise. (Registering your key trademarks, of course, also provides benefits outside the domain name sphere, and should be part of any bank's brand strategy.)

3. Submit your registered trademarks to ICANN's Trademark Clearinghouse (TMCH). Listing with the TMCH is a prerequisite to participation in the .bank sunrise period, and will help protect you in many other gTLDs beyond .bank. Further, Donuts, the company behind many of the new gTLDs, offers a similar blocking service that you can also take advantage of.
4. Make the appropriate sunrise filings once the sunrise period opens, and also consider registering other .bank domains corresponding to your other brands once general availability opens.

While it remains to be seen whether the new gTLD's like .bank will actually catch on with consumers, fTLD has made a significant investment to ensure (as much as possible) that the .bank gTLD will be relatively free of phishing and other illegitimate sites, so that it can be a relatively safer environment for financial institutions to build or enhance their online brands. At the very least, the simple defensive measures discussed above should be taken so that banks can be in a position to ride the .bank wave if it gains momentum, or at worst not to be caught napping when the tide rolls in. ■

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