.UK – Revisited

Introduction.

Sometimes it is worth standing back and re-assessing things that have become accepted practice. It is easy to cling to things that on examination have no real utility, but may limit our opportunities.

I believe one such system is the way the **.uk** domain name is structured.

This is a proposal to open up the second level under .UK to all, in a way which solves a lot of intellectual property issues, resolves some competition law problems and should prove a financial shot in the arm for Nominet members, trade mark companies and those involved in intellectual property issues.

Background.

Historically Internet domains at the top level were split over **.com .net .org .gov .mil .edu .int** and so on. These are indications of function rather than geography. As the Internet spread the geographic indicators like **.uk** and **.de** were introduced.

There was a superficial attraction to the symmetry of sub-dividing each geographical area into functional blocks to match the top level. However few countries decided to adopt the "functional" sub-structure, and of those most did not use the whole system. In Europe there are only about five countries with a second level domain structure, UK, Gibraltar, France, Poland and Romania.

In the UK we were particularly obtuse, because we adopted the structure without the well-known abbreviations. Thus instead of **.edu.uk** we used **.ac.uk**, instead of **.com.uk** we have **.co.uk**, instead of **.mil.uk** we have **.mod.uk**, and we introduced the new .**sch.uk, .parliament.uk, .police.uk, .nhs.uk**, and **.me.uk**.

Competition Law.

Several years back Nominet introduced a system whereby anyone who wanted a new Second Level Domain (SLD) could propose one. This process was used three times. Once for the introduction of **.me.uk**, once to reject an application for **.scot.uk**, and again to reject a proposal for **.soc.uk**.

Following a complaint to the Office of Fair Trading Nominet was faced with a threat that it was using its special position in the industry to stifle competition. It seems that this threat was driven largely by a lack of understanding that it is the fundamental nature of a "root" structure that there must be one point of control. This is not a matter of competition but of logic and necessity.

In reaction to this threat Nominet developed a system for application for an SLD which was highly complicated and prohibitively costly, but which was designed to fulfil all of the requirements of the OFT for transparency, objectivity and openness.

The OFT accepted and endorsed this construct, which has achieved the very opposite of the competition which the OFT aimed to create. There has been no application for a new SLD since.

Utility of SLDs

The use of an SLD to indicate the nature of the group seems, on the face of it, good and beneficial. **.gov.uk** is obviously a branch of government, **.nhs.uk** is obviously part of the National Health Service, **.sch.uk** is obviously a school.

However **.sch.uk** cannot be used by Eton or Harrow, or a Montessori school. The NHS increasingly does not represent all hospitals and clinics, and **.gov.uk** contains such a large number of organisations and quangos that it is sometimes difficult to see the common thread that runs through them.

The use of these codes in other SLDs, such as **sch.fr**, a lobbying firm, or **sch.com** – a company, further aids to the confusion – especially for those who don't speak English.

The issue of whether an SLD "means" anything is more visible in the larger SLDs like **.co.uk** and **.org.uk**. There are no effective rules for the use of these spaces, and therefore the SLD name is meaningless. These meaningless SLDs contain over 90% of registered domain names under **.uk**.

From a customer's viewpoint, if asked the question "Would you prefer '**myname.co.uk**' or '**myname.uk**'?" it seems unarguable that the answer would usually be the latter. This basic commonsense approach suggests that our current structure does not serve our stakeholders well.

Proposal.

To open up the Second Level of **.uk** to all users. The main positives are:

1. It does not damage existing small SLDs that have meaning.
2. It brings **.uk** into line with most European names and the proposed **.eu**, which will bring significant competition to the use of **.uk.**
3. It vastly simplifies the structure of all domain names used by UK industry and makes the system comprehensible to foreigners.
4. It completely eliminates the structure and cost of the existing "New SLD Application" system which even though not used is a large and ongoing cost to Nominet and thus the industry.
5. It will be a shot in the arm for the UK domain name registration industry.
6. It will make **.uk** domains compete better with **.com, .net, .org** and the other commercially run GTLDs and encourage UK industry to "wave the flag" for the UK.
7. It brings an opportunity to have a retrospective "sunrise period" to right many wrongs that have occurred over the long and unstructured development of the .UK domain space.

8. It allows the introduction of Internationalised Domain Names with fewer "extraneous" Latin characters – thus "ευχαριστημένος.org.uk" could become "ευχαριστημένος.uk".

The negative effects revolve around the fact that there is an existing structure:

1. Companies have invested money in building brands around **.co.uk** names.
2. People have come to understand and trust the meaning of SLDs and the structure itself.
3. Companies might take the introduction of a change as an opportunity to switch to another domain such as **.eu** or **.com**.

The main negative, which is the standard argument against all change, is that the change itself will cause confusion and cost. This argument requires careful consideration.

Transitional Implications.

The possible effects are obviously highly dependent on how any transition takes place. There have been a number of similar transitions in countries which have made quantum changes in their domain structures, and in the introduction of new domains such as **.biz** and **.info**. The technical implications of "landrush" are understood and controllable.

This proposal is ultimately to open up the second level under **.uk** to all-comers, but as a controlled process. The aim of this process is to ensure minimum disruption and cost to users and registrars alike, to preserve brand value where it has been created, and to introduce the protection of intellectual property (such as Trademarks) that has been lacking in the **.uk** space.

The proposal is that the second level domain is opened up for registration in a "classic" sunrise period. During an extended period (several months) the holders of registered UK trademarks may apply for a second level domain.

The form of the sunrise requires careful planning. For example should priority be given to the holders of a trademark who are also the holders of an equivalent "**trademark.co.uk** or **trademark.org.uk**" domain or should it be an opportunity for those with trademarks on the same name to get a good domain. We would also need to decide the status of European trademarks in the hierarchy.

The cost to the customer of this sunrise will depend on the costs of trademark verification, but the process used could be similar to that proposed for **.eu**, and indeed the successful application for a **.eu** name under their sunrise period might be sufficient evidence for a UK company to successfully apply.

Following this a second tranche of SLDs will be allocated to the holders of existing registrations under the existing SLDs. Applicants will be accepted in the order **.gov**, **.mod**, the rest. This registration could be very cheap, since cost recovery at the sort of

volume anticipated (millions) would be very low. The activity is simply a selective duplication of parts of the database.

All existing registrations in existing SLDs would be maintained and renewed as usual with no proposed end date.

Finally the second level would be opened to all comers to make registrations as they wished.

Conclusion.

There may be other scenarios and detailed improvements to this overall process. However the impact on the UK domain name registration industry, and the companies involved in the intellectual property protection industry would be huge.
Thousands of companies who have "lost" their trademarks and intellectual property would have an opportunity to reclaim them at a reasonable cost. The UK's domain names would become shorter and more desirable.

What little value there is in the existing structure is preserved and companies have the choice as to whether to transition to the new shorter name or stick with the brand they have created. They can choose the duration of any such transition over years if they wish.

It seems likely that this could generate a turnover in the first year of something of the order of £30 million. This represents a new revenue opportunity for the Internet and intellectual property industry and a significant benefit for the stakeholders and users of the UK Domain Name System.

There will be strong arguments that the structure built up over the last ten years or so has an intrinsic and "traditional" value. It is however a structure that has little real utility, and most of that utility is preserved in this proposal, which whilst it may seem revolutionary to the UK is merely the adoption of the standard position in most of Europe and the world.

Stephen Dyer

1st October 2004