

# World Trademark Review *Daily*

Global TLD study finds stunted growth across domain name sector  
International - Hogan Lovells LLP

Domain names

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The French domain name registry, [AFNIC](#), has recently carried out a [comparative study](#) of the top 50 top-level domains (TLD) in terms of domain names registered, which showed a fall in the average growth rate across all the TLD extensions. According to the analysis carried out by AFNIC, the average growth rate across the top 50 domain name extensions was 7% in 2012, down by 2% compared to the previous year.

Nevertheless, some TLDs bucked the trend and showed impressive growth, none more so than China, which grew by 113% in 2012. However, the registration rules governing domain names in China have [undergone several changes in the last few years](#) which have resulted in massive fluctuations in the number of domain names registered under '.cn' at the second and third levels. In 2009 the Chinese government, via the Chinese domain name registry, CNNIC, oversaw a [complete overhaul of the registration rules](#) for new domain names which meant that individuals were no longer able to register domain names under '.cn' and domain name registrations were available only to companies registered in China. In conjunction with this step, the Chinese government cracked down on domain names that were being used for illegal purposes.

The end result was that, over a period of 18 months, the number of registered domain names in the Chinese domain name space dropped from nearly 14 million registrations in December 2009 to around three million. However, since the cull of illegal domain names and the implementation of restrictive registration policies, CNNIC has gradually relaxed the registration requirements over time to now allow domain name registrations by companies and individuals worldwide, and has thus seen a corresponding rise in the number of registered domain names in the Chinese domain name space.

Likewise, following changes to the registration policies for '.fr', the '.fr' domain name space also experienced growth during 2012, but on a more modest scale of 15%. AFNIC implemented two key changes to the registration policies for '.fr'. The first change to the registration policy concerned the eligibility criteria governing who may register domain names under '.fr'. AFNIC removed the requirement for a trademark affording protection in France for non-French entities and [opened up domain name registrations to entities based in the European Union](#), which greatly increased the pool of potential registrants. The second key change was the [introduction of internationalised domain name registrations](#) under '.fr'.

However, not all TLD growth is clearly linked with the liberalisation of registration policies. The Russian Federation had a growth rate of 18% in 2012 and this was without any specific changes in registration policies. This growth in domain name registrations could well be ascribed to the large increase in internet use in the Russian Federation over the last 12 months. Unfortunately, it also appears that there may be a more ominous aspect to the growth of domain name registrations under '.ru'. Figures released by [RU Center](#), the entity responsible for the administration of the Russian Federation domain name space, showed that in January 2013 alone, it received 254 problematic domain name applications. The majority of these domain names (80%) were registered for phishing purposes, with 12% being used to spread malicious software and the remaining 8% for botnets. As such, it seems that some of this growth may well be the result of unscrupulous third parties targeting the '.ru' domain name space due to the lack of registration restrictions, combined with the fact that there is no applicable domain name alternative dispute resolution policy under '.ru'.

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