**EXTRACTS FROM WIPO ARBITRATION & MEDIATION CENTER 2005 PAPER ON NEW GENERIC TOP LEVEL DOMAINS: INTELLECTUAL PROPERTY CONSIDERATIONS** (<http://www.wipo.int/amc/en/domains/reports/newgtld-ip/index.html)>

One of the most important questions to be addressed when a new gTLD is introduced is whether all, or at least certain types of, IP owners should enjoy some form of preferential treatment in the attribution of domain names over members of the general public, or whether they should, like everyone else, compete for their names in a (randomized or first-come first-served) assignment procedure …

Experience suggests that the need for such preventive mechanisms depends in large part on type of the gTLD to be introduced, and the resulting degree of attractiveness for cybersquatters … Curative mechanisms may suffice when a new gTLD is subject to clearly circumscribed, verified and enforceable registration restrictions. Preventive protection mechanisms may be necessary where right owners are likely to resort to preemptive practices in order to prevent cybersquatting, confusion and dilution and are prepared to bear the resulting cost. It is hard to assess when exactly this will be the case.

The experience gained thus far suggests that preventive IP protection mechanisms should satisfy (at least) the following requirements:

* Protection mechanisms should be effective in order to prevent new gTLDs from turning into cybersquatting havens, which would not only damage the interests of IP owners, but also the reputation and credibility of the gTLDs in question;
* Protection mechanisms should be designed in a way that minimizes the potential for abuse. The more a mechanism is open to abuse, the less credibility and legitimacy it will have, and the less it can serve its purpose;
* Protection should be balanced and take account of rights and interests of third parties wherever this is reasonably feasible;
* The protection mechanism should be practicable and not overly complex, and should not cause undue delays in the introduction or functioning of the gTLD as a whole

A crucial deficiency of the Sunrise system as implemented by .info was that compliance with the Conditions was not verified, even on a perfunctory *prima facie* basis, before registration. This tempted a great number of parties without trademark rights to abuse a registration option that had been created to protect genuine trademark owners. Instead of verifying Sunrise applications, Afilias offered a “Sunrise Challenge Period” … The lack of verification of Sunrise registrations was clearly the biggest flaw in the Sunrise mechanism.