

### How to Resolve Multiple Applications for the Same gTLD - with Monte Cahn

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For those companies and organizations competing for new top-level domain TLDs, there are going to be a few ways to resolve the situation. Today's guest is going to outline what this competitive situation is and what a solution might look like. Whether you are a GTLD applicant or an investor, you will want to watch this show to learn more.

Three messages before today's interview educates and motivates you.

First, if you're a domain name investor, don't you have unique legal needs that require domain name technical know-how and industry experience? That's why you need David Weslow of Wiley Rein. Go search for David Weslow on DomainSherpa, watch his interview and you can see for yourself that he can clearly explain issues, can help you with buy/sell agreements, deal with website content issues and UDRP actions, and even help you write your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at NewMediaIP.com.

Second, if you have questions about domain names, where should you go to ask them? The answer is DNForum.com. Not only is DN Forum the largest domain name forum in the world, but it's the best. You can learn about domain names and the industry, buy and sell domain names, talk about domain name news, and meet other domainers just like yourself. Register for a free DN Forum account and begin advancing your skills and knowledge today. And when you do signup, send me a friend request so we can connect.

Finally, whenever I'm thinking of buying or selling a domain name, the first place I go is Estibot.com. Their service provides quick and comprehensive information about the valuation and the critical factors that you need to know about -- like other extensions that are reserved, recent sales, search volume and cost-per-click rates on search engines. And if you haven't tried their lead generator service for domains you want to sell, you're missing one of the

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most powerful tools around. Those are the reasons I pay for the service. Give it a try.

Here's your program.

Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name investor or online entrepreneur directly from the experts.

Uncertainty is frustrating; and for new gTLD applicants who are waiting for the next phase of the process, uncertainty has become almost common. They have come along way during an up and down emotional and financial journey and are still no closer to knowing exactly what will transpire as the first release date of gTLDs nears. And for those applicants who are competing with several other applicants for the same gTLD, the stakes continue to climb.

Today's guest is well versed in the new gTLD space, is sensitive to all the stakeholders that are involved and their needs, and is going to help us understand the most pressing issues and a potential solution. Today we are joined by Monte Cahn, Founder and President of RightofTheDot.com.

Monte, welcome to the show.

Monte Cahn: Thank you Michael. Great to be here.

Michael: So, there are several hundred of the new gTLDs that have more than one company or organization vying for control. Is that correct?

Monte: That is correct. Out of the 1930 new applications, 755 are actually in contention, which means there is more than one applicant. There is actually 145 different applicants vying for those 755 competing applications. The rest of those applications of the 1930 - between the 1930 and the 755 - are uncontested strings.

Michael: Got it. And so, what are some of these contested strings? What are some of the more popular ones that have more applicants applying for that gTLD string?

Monte: So, the most competitive application, or new string application, is .APP, believe it or not. They have thirteen competing applications from thirteen different applicants, and so that is the most. Another string is .BLOG. Again, related to your show and many of the shows that are out there. No wonder why it is a competitive application, but .BLOG has nine competing applications. And then, you can go down to the other end of the spectrum where there is only two. Examples of that might be .GROCERY, where there is two publicly traded companies - both Wal-Mart and Safeway - competing for that application as well as a domain name like .ONE, which there is only two. .PING has three and so does .CLUB has two or three applications that have competing applicants.

Michael: So, the domain names that had a [word] and a Blog.com or whatever extension in the past that were really big, like - I don't know - four or five years ago. Are those going to become more popular in the future as .BLOG gets resolved and Whatever.blog comes out? Are people going to be looking at WhateverBlog.com to grab as a way to prevent leakage from the .BLOG domains that get launched later?

Monte: Well, there are a couple of ways to look at it, Michael, and it is a great question because it gets asked all the time. As a matter of fact, as one of the top panel questions in the TRAFFIC Conference that we just recently attended, where I was on the panel for new gTLDs as well. People that are .COM owners, especially in premium names, are wondering what downward or upward effect it might have on their premium domain name. So, a good example might be what happened with XXX.com when .XXX was announced. When that publicity came to .XXX, actually, XXX.com got to gain a lot of the traffic and benefit from that because people were hearing the term Triple-X and did not know what to type in at the time. Other examples are with .BLOG and .APP, and others, except there is no other extension that is out there yet. So, my feeling and our feeling is, is that a lot of the premium domain names will retain their value; might even increase in value in terms of traffic in the immediate future, but it could have downward pressure over

time because, as more and more people are using the new gTLD that applies to their industry or has meaning to the right of the dot, which is ironically the name of our company, people in that particular industry might not necessarily leave a so-and-so or XXX blog.com name, but they might get that for further protection. But what we are talking about for the new gTLDs is a new generation of users and users that are not online yet. So, the threat is not really people who existing domain names moving away from their existing domain names, but it is the millions and billions of people that are yet to be on the Internet that will have a lot of other choices for them to launch their businesses, or launch information the web, and have email and communication ability. That is really what this new expansion from ICANN is all about. It is not for the existing market. It is for the market that has yet to come.

Michael: Yeah.

Monte: There are two billion people online today. There are 25 million domain names. So there is quite a disparate difference between those two facts. There should be about six billion people online if you look at all the people that have network ability and have broadband capability, but some unique things are happening in various countries. For example, Africa, which is only three to seven percent even populated in the Internet, is going to make a huge expansion in terms of putting broadband free to cities and other places in Africa to help attract corporate investment and corporate presence. So they are going to be putting free broadband usage in Kenya and cities like Nairobi. I just heard that Australia, as an entire country, is wiring the entire country from tip to tail and have a straight forward broadband price that is going to be equal for everybody to share. So, it is all about increasing connectivity for users that do not have connectivity today, educating those that have never been on the web before, and of course applying mobile devices, handhelds, and PDAs, and other types of devices to give them access to the web. That is what is going to inspire a burst in Internet usage along with other people communicating to their grandchildren and other people through Facebook and other social networking mechanisms like we have never seen before; and of course my kids who are in just grade school are now learning how to build websites, which has never happened when I was a kid. So you are going to have younger users, older users, and users in third world countries that never

had access to the web plus the overall just general population increase in the world, which is going to go to nine billion very shortly; and the access to about six billion people to be online in the next ten to fifteen years.

Michael: Yeah. No, that makes perfect sense. And my mom is never going to understand anything other than .COM. She is just of a different generation, and my generation will understand that there are different extensions because I may type in a .ORG or a .NET and I realize that somebody may come online and it be just like IC.IO Applications. High tech companies will use .IO for cloud or programming, or a way to interface with something else. And so, I can definitely see that .APP will take off and .BLOG will take off.

Monte: Right. And our children, by the way, do not really care whether they are on a .COM because when they get up into the professional world, or get into college, there is going to all these other choices and there is going to be market segmentation by industry. That is why what is about to happen is going to be a revolutionary change. It is like going from Web 2.0 to Internet 3.0 within the next three to five years in my opinion.

Michael: Yeah. Well, I have likened it to the area codes to telephones. I grew up down in LA, where we only had 818 area code, and suddenly, four years later, we added another area code; we had 626. And four years later they added two more area codes because people, houses, and just the grid was just expanding so quickly down there. And so, I liken it to that. People - yes, we are confused at the beginning. "Can't I just dial the seven digits without having to enter the area code?" And no, you cannot. And I think, as people continue to move around from country to country or within states of the United States, they keep their cell phones. Even though you are in Florida, you may still have a Washington area code on your phone; and people do not think twice about it because they are just programmed in.

Monte: Correct. And even toll free numbers. Everybody thought that it would always be 1-800. Now there are - I think the last count was - seven or eight different choices of toll free numbers now.

Michael: Yeah.

Monte: So yeah, like you said, it is confusing at first, but with education and with proper search mechanisms - and by the way, Google is in this new extension game in a pretty big way along with Amazon - I think the search is going to be figured out as well in the next several years.

Michael: Yeah, definitely. So, back to my original question, Monte, will a lot of the .COMs rise in value? So, if we take just a generic example because I like to ground things because I am simple minded. If I look at like MommyBlog.com, will Mommy.blog drive up the price of MommyBlog.com if it were for sale, for example?

Monte: I think what you will see is an initial increase in traffic as .BLOG names are being released because will still have chaos and confusion, but I think over time what you will see is that the new blogger in the new generation, or even the current blogger, might feel that if you are going to be a blogger or have a blog as your business, it might make sense to move over to a .BLOG domain name, or have it as a backup, or forward to you main site. So, in the case of MommyBlog.com versus Mommy.blog, I think Mommy.blog might have the potential of holding more value over time. Initially, I think because of the increase in traffic to the old-style formats that some of those will retain their value. And some will retain value forever. I mean the top thousand fortune companies still have their .COMs; probably the majority of them are not going to switch and change. But then you have the new generation of companies that are coming online that now would have a choice to get a premium domain name in a new extension that makes more sense in their particular industry niche. That is really where the opportunity is. And overall - and I express this in several panels that I have been on -, it is going to increase the overall awareness of the Internet. It is going to put a big spotlight on the domain industry in general, which will raise everybody's tidewater quite a bit, in my opinion. So, therefore, I think the whole industry benefits from this in value by just having more awareness of what domain names are. There is more publicity around the extensions today in the last, I think, eighteen months than there has been in the last eighteen years. So, that is a huge focus on our industry. It has been mostly positive in nature. And I think, as more and more of these come into play, you are going to see a great value increase across the whole entire industry.



Michael: Okay. I want to get into the meat of the interview and how this application competition is going to work and find out some ideas. I am going to come back later in the show, Monte. I want to ask you about Mommy.blog. I want to make it clear. I make up examples off the top of my head as we are going through these interviews. I do not own MommyBlog.com. I do not know who owns it. It probably is a resolving website and everything, but I want to come back in the show and ask you about Mommy.blog. If I own MommyBlog.com and I wanted to get Mommy.blog also, later on I want to ask you what is the best way for an investor or a website owner to try and grab that. Do you need some sort of special relationship with some of these companies that are doing that? So, we will come back to that question.

Monte: Okay.

Michael: So we talked about the competing applications. 145 applicants. 755 competing applications. What happens if the applicants cannot resolve their issues with respect to .APP, let's say, which has thirteen applications? They cannot resolve it. Nothing gets done. What will ICANN do when?

Monte: Okay. So, here is the process. Let's use .APP as an example. So, there are thirteen competing applications by thirteen different applicants for that particular extension. ICANN has given a period of time - a big window of time - for those contending parties to resolve their contention in any way that they can. That could be partnerships, mergers, mediations, and private auction before the last resort, which is what ICANN is called The ICANN Auction Process. There are some huge differences and huge advantages to resolve contention prior to the ICANN Auction. One of which is the applicants are entitled to a refund of their application fee if they can resolve contention before initial evaluation, which is after March. If they resolve after initial evaluation but before the delegation or before the ICANN Auction Process, they can get thirty-five percent of their fees back. So, that is another important figure.

Michael: Yeah.

Monte: Now, for the individual applicant it may not be as big of a deal, but those are applying for several hundred strings, like Google or Amazon, or

Donuts, for example, which has applied for 370, that refund amount might be something that is pretty significant and could be important for their business model. So, they are looking forward to resolving contention also early. The last resort also for the advantage is that, in an ICANN Auction, the losers do not get any parts of the proceeds. So, ICANN gets one hundred percent of the winning bid, and then there is a delegation process and a contractual process that the winning applicant has to go through in order to get delegated that string. In a scenario that Right Of The Dot is offering, the losing parties in a particular contending auction would get a majority of the proceeds - more than 95% of the proceeds - handed down to them in a losing effort to win that string. So, the winning bid necessarily is kind of sold by the losing applications, or applicants, in our scenario, which is a great advantage for those that are participating in a highly competitive string.

Michael: Definitely. Okay. So, hold on one second, Monte. So I understand what is going to happen with ICANN. If the applicants cannot resolve it on their own through whatever process they want, it goes to ICANN; ICANN is going to run their own auction. There are no details of this auction available at this time.

Monte: It could be many, many years from now. They do not know. They have not selected an auction provider. Also, the other key advantage, which I wanted to mention is that by knowing whether you win the string early or sooner than later, obviously, it helps with your business planning, your delegation of funds, and all kinds of other advantages besides just not ICANN getting the money. It is about how you are going to conduct your business for the next eighteen months to two years before this ICANN actually resolves it.

Michael: Exactly. Yeah. So, in addition to all the ambiguity that is associated with allowing ICANN to resolve this contentious string for the applicants, all the money goes to ICANN; and that is a common complaint of a lot of domain name investors is that this non-Governmental entity should not be earning as much money as they have. They made hundreds of millions of dollars off of the application process. They have not exactly said how they are going to use those funds going forward, so they sort of have this cash and



people feel like: "Well, why should they get more money from the auction process?"

Monte: Exactly.

Michael: People have already paid an application fee.

Monte: Right, and that is one of the reasons why they are giving a large window of time to help people resolve. I think they actually prefer not to be in that scenario or in that situation, and so they are giving the opportunity to resolve that contention in multiple ways. Our way is, of course, through mediation and private auction services; and we think we are going to do a very good job providing that for those that qualify and agree to do a network method.

Michael: Okay. So, we had Jennifer Wolfe on the show a couple of weeks ago. She went to the latest ICANN meeting, which I assume you were at all, Monte.

Monte: Yes, and I did meet Jennifer at the same time. She is great.

Michael: Yeah, and there was at least one session where I believe it was an attorney was proposing a potential solution to contentious TLDs; and, from what it sounds like, it was just basically a discussion around it. They present their option and people could talk about it. Can anybody come up with a resolution process to competing TLDs, Monte?

Monte: Well, we believe that you have to be properly licensed to do that, which Right Of The Dot now is. We have just obtained our Auction Business License in the state of Florida with specific criteria and explanation about our purpose, which is resolving contention between competing applicants in the new gTLD format. We believe that you have to have an independent escrow provider for such services because funds could be held for a long period of time and they have to be distributed in a fair and equal manner. So, we have partnered with Escrow.com, who has done more transactions in our space than anyone, and we believe that gives us a good, viable, unbiased partner who is a leader in their particular field. So, I believe you have to be a licensed

auctioneer. You have to have, more importantly, the proper contractual documents prepared about how you are going to resolve the contention, what happens to the winning bid, how long it is held, and do the funds get distributed before delegation by ICANN or after. These are all things that we have a lot of thought process around and have come up with solutions for; and we, unlike other people in the space, are letting the individual applicants and the competing string decide what is the best format for them, and then holding individual option based off of their criteria and their desired format because they are all agreeing, it is their money, and they should have the right to choose how to resolve.

Michael: Right. So that makes sense, but let's say that there was .GROCERY and there was only two parties competing for it. Can they just hire a mediator to help them work out the details or will a mediator who does not have experience in the domain name industry end up doing more harm than good, in your opinion?

Monte: Well, that is unknown. We feel because of our industry experience we are going to be giving quite a bit of industry experience, and our knowledge base and experience will help in that form. But yes, an independent mediator in that case, where it is not going to go to auction, would be a method to choose from. We are also offering mediation services as well. Everybody does not have to go through a private auction in our scenario. In our case, we can mediate as well in this scenario. But a mediator or way to work out those differences or those partnerships between them. In the case of .GROCERY, it is two highly competitive public companies that want the name, so that is more unlikely on how to mediate that resolution or that dispute versus maybe some of the parties in this .APP scenario, where there are some very big players applying for .APP and going for it, such as Google, Amazon, and others. What is going to be interesting to see is how they play that one out. That one is more likely to go to auction in my opinion.

Michael: So, good luck trying to get the thirteen applicants of .APP to agree to terms through a mediator. Everybody has got their own needs and their own must-haves, and things like that. It is just not going to happen.

Monte: Right. It is also more challenging for a private auction provider to get all those thirteen to (Unclear 20:37.3) as well.

Michael: Right.

Monte: The better shots are the twos, the threes, the fours, and the fives up to eight. We feel that is a sweet spot for us because then people are more likely to agree. The other advantage is that we basically know everyone who is in the business and has applied, and they know us, and it is easier to get everybody to kind of agree to terms, to understand who we are, and know what the process is. Knowing that we have done hundreds of millions of dollars in domain auctions in the domain industry already, it is very helpful. It helps everybody come to the table and come to an agreement on a process. So we feel that is a good advantage.

Michael: Yeah, definitely. Okay. So, the competing applicants can resolve it on their own. They can say: "Hey, let's form this JV," and one of them will retract their application and get some money back, and they figure out how the economics work. They can go to a mediator. They can sue each other prior to the event. They can wait for the ICANN Auction. They can use a third party, like yourself, to conduct an auction and have input on how that auction will take place. Are those pretty much all the different options that they have at their disposal?

Monte: Yeah. Well, there is also an objection period that runs through March as well. So, any party can object to another party's application. Now, they do not get anything for it. In other words, there is no financial benefit to that, but a competing applicant could object to a similar string that is competing against their particular application. For example, there is a lot of vertical competition. So, besides .LAW, for example, there is also .ATTORNEY. There is .ABOGADO, which is the Spanish word for lawyer. There is .ESQUIRE. There is .LEGAL and .LAWYER. So, one of the applicants for one of those strings could appose or object to any one of the other strings for co-existing in that vertical because they feel that they have the better business model. That could not only hold up the process, but it could also result into a positive or negative decision depending on what happens there. It is more of

a delay tactic in some cases. In some cases, it has a lot of legitimacy to it depending on what the string is and who is objecting.

Michael: Yeah. Okay, that makes sense. So, Right Of The Dot was set up by you and Michael Berkens in order to help new gTLD applicants navigate this entire process that is going to take place in the next couple of years and continue on forever potentially.

Monte: Yeah, we serve two purposes. First, we are helping to resolve contention, so there are actually strings out there that will go live and launch. And, of course, our second part of our service offering will helping the new applicants that we choose to work with have a great success with their premium domain names, which is a big revenue source for a lot of the business modeling that is out there for a lot of the premium generic names; and also the geo names, such as .MIAMI or .BOSTON, for example, that have the city strategy and want to make sure that some of the premium names in that space get the best dollar that they possibly can and that there is a proper sale, or auction, or founders program developed for those particular names that it helps add to the bottom line and helps with the marketing positioning for each one of those companies. So, we are helping consult and advise on those particular initiatives and helping, as the general contractor, on handling that for the entire registry for them. We will handle the entire aftermarket premium name sunrise and land rush auction strategy, and then work with subcontractors, such as other brokerage houses - other providers - and then we will be the conduit of information from the partner down to all several of those brokers so that it all works to everybody's benefit.

Michael: Wow. So, I did not realize that. So, if I were starting a registry and I did not want to have to build and operate my whole back end - the database and the registration process -, I could just outsource it to New Star or to one of these companies that does that. And likewise, if I want to start my own registry and I want to make sure that I have all my premium domain names - all the single words that have high value in the market -, and have those served, and sold, and launched in tiers, and spaced properly, and marketed, you could help me do that as well.

Monte: Exactly. That has been what I have been doing for the last seventeen years in the industry more or less. Been creating and pioneering industry solutions for that particular niche market as well as helping overall advising on what registrar or partners to use and choose how to get above the fold and not get into a mass confusing display with five hundred to one thousand other TLDs with your marketing channel. We have various expertise from Michael and my experience over the last twenty-nine years of combined industry experience that we can help with some of these new registries; most of which, or a lot of which, have never been in this business or in our industry before. And many of which who have are so spread out and thinly delegated between their FTE resources; to have to run more than four or five strings is going to be quite a challenge. It has never been done before, even by the largest registry, which is VeriSign. No one has run more than four strings simultaneously together. So, imagine Donuts, who has got to run 370 or even one hundred, or even Google who has to run 110 or is going after 110. How do you possibly have all those going at the same time? What strategies are you going to use? Are some going to be free? What are you going to charge? Who is your market? How do you choose that reserve list? How valuable is that reserve list? When do you let that reserve list go? Is it all at once or is over several years? Those are things that we can really provide a lot of benefit and help with.

Michael: Definitely. I am thinking, as you are talking, and realizing how big the domain industry is going to grow over the next four years. A lot of people ask me how big the domain name industry is, and I have to step back and say: "Well, if you look at GoDaddy's model, for example. They sell domain names. They have an aftermarket of domain names. But then they also sell a lot of ancillary services, where they make a lot of money, like web hosting, and the privacy, and all those ancillary services that come with that." And if I only look at domain names and the aftermarket of the domain names, and the services that support the registries and registrars in selling those domain names, I have a number that I usually throw out, but I am curious what you think that number is today, Monte.

Monte: Well, five years ago we did kind of a market study along with Forrester Research Group to try to assess what the size of the domain name market was, and it was divided in two parts. It was the primary brokerage and

aftermarket sales side, and then it was the monetization side. About seven years ago, that used be worth one billion all together, and then, about five years ago, it was about one billion each. So, it was about two billion dollars. We believe that in the next four to five years it is going to double again, obviously, because there is going to be a lot more product and services launched off of these new domain names that are innovative and have never been thought of before. So, not everybody is just going to offer a domain name like .COM with nothing else attached to it. There is going to be intellectual property attachments, application attachments, hosting and email plays, and could come with other types of products and services that have not been even launched or invented yet. Or have subscription membership type usage and those types of things, like in the case of .MUSIC. What are you entitled to when you have a .MUSIC domain name? So, those types of things are going to really expand the market and what revenue you can collect from the overall market that the people going after. So, it is our prediction that it is going to double in size.

Michael: Yeah, all right. So, it was at least two billion a couple years ago, but when you and Forrester looked at this did you take into account all of the hidden domain name sales - all of the domain name sales that took part as part of a transaction and were not broken out - that do not get reported?

Monte: Yes.

Michael: You did.

Monte: Yes, we did because, as we all know, only about 10% to 15% of those actual sales are reported. Most transactions happen in private. Even on Domain Name Journal, it does not report the transactions under one thousand dollars, so imagine what kind of transaction history and activity are going on. So, again, we are dealing with 225 million registered domain names worldwide, which includes all country codes. Correct? So, the forecasts are that this whole market in terms of number of registrations is going to double over the next four to five years. So, you can see, if you just apply the basic algorithms, we are going to see a doubling in revenue and size of overall market share.



Michael: Definitely. All right. So, Right Of The Dot's process is an auction process. You talked about getting certified as an auctioneer, that you have an escrow account, and that you have policies and procedures around all of the aspects of that auction. Let's take an example of .BLOG, where there is nine competing applicants, you said. What is the first step for Right Of The Dot to try and run an auction for .BLOG? Do you first need to contact all nine applicants and say: "We are certified," give them confidence, and get them to agree to run an auction? Or do you get input from them before they have signed up for the auction to agree to the terms and conditions of the auction?

Monte: Well, just one clarity item. We are also in the mediation business, so it does not always have to be auction.

Michael: Right.

Monte: But the most important thing to the applicants that we have spoken to - and we have spoken to most of them - is getting everybody to agree to a private contention resolution of some sort. So, it is our job to get all the parties to say: "Yes, if the rest of the parties come to the table, I would be willing to come to the table." There are some cases where there is going to be holdouts and people just do not want to resolve contention in private and they want to go to the ICANN process. For example - and I am not saying this is the case -, Google might want to go all the way to the end result and not negotiate whatsoever because .SEARCH is so important to them. It is core to their business. They just are not interested in resolving contention before then regardless of what they pay and, in that case, they might have so much money that it does not matter to them.

Michael: Right. To them it is nothing for them to continue the application process over a decade, whereas somebody else whose sole focus is to get the new TLD up and running. Their investors might not want to wait ten years.

Monte: Exactly. And also, Google may not have that same philosophy for the other ninety some odd strings that they are in because they are not as critical to their business. They are new ideas or whatever. So they are more willing to possibly resolve contention in private on those because to go to an ICANN Auction for all 110 strings, for example, would be extremely expensive; you

would pay the highest amount of money. And, of course, if you lose that auction, you would get nothing in return. So, that is not a good business decision for those that are competing for multiple strings anyway.

Michael: Yeah.

Monte: The smaller applicants, which is this is all they are going after - one string -, obviously, they have passion and focus, and this is what their business model is about. Their interest is to getting to market probably sooner than later from what we are hearing. Although some are not as concerned of that, but most are. Most would rather know what their next five years is going to look like, and so resolving contention sooner than later is of interest. Not paying top dollar at auction and, in case they are beat out in an auction, getting something back for all their efforts, all the time and energy they spent, and the investment they have made thus far, which is significant. Remember, this process has been going on for several years now. Even to get to where we are today, it has been five or seven years in the making actually. And there have been several types of delays and there is still yet to be delays to occur. So, every day that goes by, it is money spent out of someone's pocket to run and operate their business.

Michael: Right.

Monte: So, to answer your question, our job is to get the competing applicants to come to the table; to agree that they would resolve contention in some kind of format. Then it is getting everybody to agree to the terms and the type of resolution they want to resolve in, whether it is mediation between two parties or it is a private auction amongst three or two or more; that they agree on what type of auction they want to run. Is it a sealed single bid? Is it an ascending clock auction? Or is it a live auction, like we used to do for domain names with paddles and a live auctioneer? (Unclear 32:57.7) for all three is an option. Those are the three that have been told to us as what their preference choice would be. So, that is the good news; is that most of every applicant we have spoken to are agreeing to one of those three option, and most have agreed that, if we can get the other parties to the table, they would participate, which means our job is to herd the cats.

Michael: Yeah. So, are you at liberty to say how many strings you are resolving through one means or another at this point in time?

Monte: We have had several verbal kind of commitments or approvals that they would jump onboard on our platform and our auction method if the other parties come to the table. We have had interest from one of those publicly traded groups that are going after the same word, but there is only two or three parties that are competing with that, that feel it is better to resolve sooner than later and they are interested in providing that. We have talked to more than 127 of the competing strings that are in the Donuts contention set. They all have agreed that they are willing to do some kind of private auction and like our methodology as well. We have not purposely put out contracts to anyone yet because there are still unforeseen events about to happen. There is a lottery that is about to occur at the ICANN offices on the 17th of December, which will determine the order in which, which strings will be going out or being delegated. There is also a contention set resolution piece that is still yet to be determined. In other words, do two strings look similar to each other, and is ICANN calling those in contention because they look too much alike? That could be .CITY and .CITI. That could be .BANK and .BANC. We are still waiting to hear what those contention sets look like. And of course, there is a big period for the GAC, which is the Government Advisory Council, to determine what strings might be offensive or not be of approval for their particular countries. Something sexual or vice in nature might not be approved. Something that is a region or city, but also has a generic term may have objections to it by the GAC. So, there is an example that currently is in existence is .CAT, which is actually an extension that has been approved and it is alive and well, but it stand for Catalan, which is the region in Spain; not cat as in kittens and cats. So, several scenarios that those could play out in that are both three-letter names that also mean other things. There is also community applications versus open applications. So, for example, there is a .BANK application that they feel they have community support around the banking industry, but there is an open one that says: "How could you possibly have all the banks agree on a particular string, so therefore it should be open." The same is the case for .MUSIC. There is a community application for that. There is a community application for .GAY, and there is an open application for .GAY. Community has preference or has kind of preference if it gets approved, but a lot of people do not think some of

those will get approved. So, those are the things to yet figure; that is why we are suggesting that people wait till what is called Initial Evaluation in most cases to determine what the GAC is going to do, what the objections from the objectors are going to do if there are open objections, and what the contention sets look like. In either case, we are doing our job by getting people to think about their options, educate them, and consult with them so they know what do when they want to pull the trigger.

Michael: Yeah. Every single time I am exposed to the entire process by people who are educated like yourself I also think to myself: "Wow, there is so much unknown in this process that it just boggles my mind," and I am amazed that people are willing to put up \$185,000 for an application, tens or hundreds of thousand of dollars in the prep work to do that, and commit millions of dollars going forward beyond that just to make sure that the registry gets up and running. There is a lot of risk involved. Clearly, there is enough reward to warrant that risk.

Monte: Or potential reward. Going back to one of your questions about how big the industry really is, there is a half a billion of new dollars just in application fees - of new dollars that have never been invested in this industry before. So, imagine that; and that is just for the application. So, as you said, which is really key is imagine the millions, and tens of millions, and hundreds of millions of dollars to be poured in our industry for marketing, running companies and services around the whole industry, all the legal processes, backend operations, the security, the SSL certificates, and the new hosting sites. It is going to be very good for the industry. Not all of them are going to succeed. It is going to be like any new business; probably multiple that eighty or ninety percent might fail or might not be successful, but the way to judge success on these particular applications might be different than what we are currently looking at in the 22 TLDs that are out there today because they have different business models attached to them.

Michael: Right. And a lot of people may look at .MOBI, for example, and say: "Well, that is an unsuccessful TLD" because it is not as popular as a .COM or a .NET. It does not have as many registrations. But in terms of making the investment versus the return, it may be wildly successful. I do not know. They may have invested two million dollar to get it up and running;

and just selling the premium .MOBIs to early investors may have returned that two million a couple times over.

Monte: Definitely. .TRAVEL is a perfect example of that. Many think .TRAVEL was a huge failure. Well, it was initially, but the operators, which actually are here in Ft. Lauderdale (Unclear 38:43.5) registry, clear a nice profit every year with sixty or seventy thousand registrations they have. They also charge eighty dollars for a registration. Not nine or ten. So, a lot of the new extensions have different fee structures. .LAW is probably going to be something upwards of fifty to one hundred dollars versus a .WEB, which might be seven, or eight, or nine dollars because it is going to compete in the space of generic .COM space. A .BANK might have a several hundred dollar registration fee attached to it because it is only going to be for banks and financial institutions. So, the number of registrations is not necessarily the measure of success in this case. Obviously, return on investment. But in the case of a .CAT, they served a community of thirty thousand registrations; they are very happy with where they are today. Serving that particular region in Spain, and they have had great success out of launching that extension with only thirty thousand live registrations around it. It is just a matter of how you measure your success and what your business model is. You also have corporate extensions being gone after. There is going to be a .GOOGLE. There is going to be a .AMAZON. There is going to be a .APPLE. There is going to be a .CITI for Citi Bank. There is going to be a .NIKE. So, Nike might run all their shoe advertising and positioning off of Shoes.nike now instead of Nike.com. So, that will give them brand awareness rather than money in their pocket for registrations because only internal people and Nike are going to be able to register those names, but they are going to launch major marketing and social media campaigns possibly off of one of these new extensions; and then that helps them with brand and industry awareness, and that is what they measure their success on.

Michael: Yeah. Monte, personally, do you think it is better for companies today? Let's say fast forward two years. Do you think it is better for Nike to brand Shoes.Nike and put that as the URL versus NikeShoes.com?

Monte: I think that the opportunity to have your domain name - your name as your domain name - gives you huge right of the dot significance along with

left of the dot significance. So, in a search engine, imagine Nike.com. Well, Nike has meaning to the left of the dot, but com means commerce, but most people do not know what it means. But now you have Nike to the right and shoes to the left; you now have two keyword search terms that have meaning, and I think it gives you more search ability and it gives you more logistical and logical presence on the web. I think a name like DivorceLawyers.com versus Divorce.law. I think the .LAW might carry more weight in the future because the right of the dot has meaning, where .COM is commerce and generally open. Another example in the law field, which might hit home to everybody is that law firms usually have the abbreviations of all the partners and then they have a .COM at the end. Sometimes you do not even know it is a law firm because the names of all the partners are too long and too hard to spell anyway. So, LLBS.com. Well, how am I supposed to know that is a law firm? But if it is a LLBS.law, it is a law firm or it is a legal business. Things like that are going to have huge significance, I think, in the new era of domain names. And in the case of what is more valuable, LLBS.com is not as valuable, I do not think, as a law firm as LLBS.law would be because it says what they do at the end.

Michael: Yeah, I agree. And I think that is a perfect example of how a new gTLD string can serve a marketplace and allow people who have been shut out from an appropriate branding opportunity online to take advantage of something like that.

Monte: Right. And getting back to your corporate example, corporations have the opportunity to do that finally. They are now going to be a .CITI for Citi Bank, and a .(Unclear 42:23.3), and a .SONY. Imagine all the products Sony has. Now they are going to be able to put their brand at the end and have navigation go directly to their own registry, which is their brand name, versus .COM, which is VeriSign or the Internet. So, I think it could have huge significance for a large player with multiple products and services, or that has been trying to get brand awareness, or that brand awareness is so important to them to compete that having their own extension gives them a huge marketing advantage.



Michael: So, five years from now, you think that it will be more advantageous for Apple to have IPod.apple and use that in branding rather than Apple.com/iPod?

Monte: Correct. Because, again, really, what is the focus market? It is the new generation of users; not necessarily the existing, who have .COM embedded in their head. It is my kids who are in fifth, and third, and first grade. They are not going to care whether they type in a .COM or not when they get to my age. And when they start their business or when they are communicating with their email, all they are going to care about is having the right domain name that is in their industry and that, if they want to start a business, there is a right of the dot extension that actually matches what they want to do. And that way they can have intercommunication with their colleagues, and their partners, and their associates in the same industry; and they are already going to guess what that extension is going to be. It is not going to be confusing to them.

Michael: Yeah, all right. There was a teleconference, I believe, this morning with ICANN. November 15th. I saw it on DomainNameNews.com I believe. Did that take place this morning, Monte?

Monte: I believe it did take place, although I was not on the call, so I am not up to date on what the conference covered other than there have been a couple other significant announcements today. (Unclear 44:06.0), who was in charge of overall business strategy for ICANN and has been kind of running the new GLT program, has resigned; and has been asked to resign because there was some kind of conflict of interest. So, that is a big question. We do not know what that resignation is for and what conflict there was. So, Michael put on his blog - TheDomains.com - that ICANN needs to come clean and we need to find out what that means.

Michael: Yeah.

Monte: There was an announcement of the lottery date, which is when all the applicants have to either send a representative live or be in LA on the 14th or the 17th of December to pay one hundred dollars to get what is called their lottery ticket to determine where they are in the picking order, or the pecking

order, of this delegation process. And so, that is another time that everybody has to get together at some point; is in December in LA to do that. So, that was an announcement that was most recently announced.

Michael: Right. So, that was just made. So, I would have thought I paid my \$185,000 for an application; they are just going to pull out of a hat the lottery - the order of the gTLDs that are going to go through and how they are going to do the evaluation. Why do I need to pay one hundred dollars to get a ticket in the hat? Why do I need to travel to Los Angeles to sit at the LAX Hilton to actually go through this lottery? Why is there so much involved in this process that was not known before I put in my \$185,000 application? Do people in the industry find that frustrating, Monte?

Monte: Yes, very frustrating. A lot of people within the industry, even ICANN I think, is adapting to the environment as we are going along in this process. I mean there have been 22 new TLDs up until today that have been out into the root. Now we are going to go from 22 to possibly 1,022 over the next three to five years, and then more rounds of one thousand each year to come. So, they are figuring out some of the process now as they are facing the challenges of how do you logically go through one thousand potential new extensions and which ones get to go out first. So, at first it was going to be kind of a random selection; and people think that this is the fairest way is to kind of do a lottery. And then, because ICANN is a non-profit organization and they are in California, they probably had to run it this way - have a significant ticket price to use in order to have an official lottery-type format to comply with California Law because that is where they are based.

Michael: Okay, I understand.

Monte: That is the reason behind this. Yes, it is an extra hassle, an extra trip, an extra confusing point, but it also, I think, addresses the fairness of who is going to get out the door first, and that it was completely random and unbiased, and it was just the luck of the draw in that particular case.

Michael: Right. And it is an organized location, and it is in public, and it is probably audited by a third party.

Monte: Of course.

Michael: And so, there is a lot involved in there and maybe the hundred-dollar fee goes to covering the costs of running that lottery.

Monte: Right. And this could have significance in a particular vertical that I mentioned before that has vertical competition. So, let's go back to the legal vertical, which has .LAW, .LAWYER, .LEGAL, .ESQUIRE, .ABOGADO, and .ATTORNEY. Well, .ATTORNEY is not in contention. No one else applied for .ATTORNEY. But there are several applicants that are applying for .LAW. Now, they have to resolve contention. Imagine if .ATTORNEY gets out a year before .LAW is resolved in contention. They could actually have a significant change in what the market business outlook looks like for that entire vertical. I do not think anyone imagined how many different vertical plays there could be within a particular vertical string contention. So, you have all these string contentions in a particular string, and then you have a vertical contention play that has to be resolved. So, the lottery might put .ATTORNEY in the back of the list while .LAW is getting resolved. It could just happen that way. Or .ATTORNEY gets out of the door first along with .ABOGADO, which is the Spanish word for lawyer and, all of sudden, the law business model completely changes or puts an emphasis on them that they better resolve right away their contention set because, if they wait until the ICANN contention option, it could be two years down the road before they get out the door. And then, half the lawyers have already got a .ATTORNEY name.

Michael: Right.

Monte: So this has a significant variable in play in the business modeling. If you have applied and you think you are going to get fifty percent of the market over the next five years and, all of a sudden, you now have three or four different strings that are all in my industry that could take market share away from me, all of a sudden my business model could change. That affects my investors, my partners, my fee structure, and everything.

Michael: Yeah. So, an early draw, a low number, an early launch date potentially. If you get through the application process, the review process,

and the contention process if there is one, it could actually put competitors who have a late draw out of business because the first mover has a lot of advantages.

Monte: Potentially. And that draw process, I believe, is just to see who gets through the evaluation process first.

Michael: Yeah.

Monte: Who gets their application read first? And then, of course, you still have to come to contract.

Michael: And so, this lottery is basically the review process. Who will be reviewed first out of the 1930 applications?

Monte: Correct.

Michael: Okay. All right. So, I am just taking a look at some of the information that was on Domain Name Wire this morning. New gTLD draw will take place December 17th in the afternoon at the Hilton LAX in Los Angeles, California. Details are going to be published tomorrow - November 16th. This interview will come out after that date, so we will know a little bit more around there and I will link to that from this interview. ICANN has a license to operate in California a lottery. Evaluation results to be expected August 2013. So, they have pushed that back a couple of months. I am not even sure what that means exactly. The evaluation results of applicants?

Monte: Of the applications probably.

Michael: Okay.

Monte: It is not going to be announced till 2013, yes. So, I mean August 2013, so that could mean that people are just not going to know whether their application is even approved until then. So, again, this is why resolving contention in some cases makes sense for some first because at least there is only one or two players left if everybody is resolved.

Michael: Yeah. Now, let's say .LAW gets an early draw. Will ICANN review those - I can't remember how many - competing applications or will it wait until there is resolution to one applicant before they review it?

Monte: Well, they are not going to review right anyway. There is still a window with the GAC for objection and also for the open objection for the public. So, they are not going to start initial evaluation, I think, until after March anyway. I think it is April when they started, and then they announce those results, I guess, in August. So, what it does determine is which ones they review first. Now, what could happen is if there is five or six for .LAW, for example, which I think there is - I think there are seven for .LAW, or six - , it could eliminate three of the six, and then now there is only three left in case those guys did not meet all the criteria. Or they could go back and get clarifying questions addressed that were not answered properly. We have not been privy of how they are going to handle questions that are answered wrong. Maybe all of the questions except two were answered correctly; they give the applicant a chance to resolve those contending issues. They might change in corporate structures between now and then, which is obviously possible. If two parties that are in contention resolve something, if you significantly change the owner of the actual operating group that has applied and there are new board members because of some kind of coming together of two competing applicants, that could actually put you at the back of the list. So you want to try not to disturb your application.

Michael: Right.

Monte: So, there are all this stuff going on; that is one of the reasons why we are offering the services that we are. To help navigate everybody through this confusing process, and keep people grounded, and keep people on task, and give them information and services they could use between now and then.

Michael: Sure. And you know what? I just realized that I am not even sure what this lottery is. Is the lottery for the 1930 individual applications to be reviewed or it for the TLD string to be reviewed and all of the applications associated with that TLD string?

Monte: Every applicant has to have their own lottery ticket.

Michael: So it is every applicant, right. So, let's say that the first draw is one of the .LAW applicants and the 1930th draw is one of the other .LAW applicants.

Monte: They will probably have to wait until that one is resolved.

Michael: Wow.

Monte: Or that might be the incentive to not wait and resolve sooner than later so, at least, anybody that loses is then withdrawn.

Michael: Yeah.

Monte: Then the winner is banking on the fact that they are going to pass application with ICANN. If they do not pass application with ICANN, then that string is never delegated until the next round that they could apply for it becomes open again. So, these are all the chances and risks.

Michael: Yeah, I am amazed at the ambiguity of this process. Like if I am number one for .LAW, I may fly through the process. But if I cannot resolve it through a third party like yourself how this .LAW is going to be resolved and we go through, ICANN may wait to review the 1930th application before they go through their auction process. We do not know. They may do the auction process before. They may do it after. Who knows?

Monte: And if there is one thing we have learned from this process over the last several years, things are subject to change, and there will be changes, and there might be future delays, and all that. So, the strongest will survive in this process and the most diligent people will survive. There has been people that have dropped out along the way and there has been people that are in it through and through until it ends. So, it is challenging. It is frustrating. It has never been done before. That is part of the reasons. And it is even more of a reason why you want to align yourself with people that have actually been in the business and gone through this before because, if you are doing it all by the seed of your pants and you are not associated or aligned with or working with partners and companies that have never been in the industry and



business before, then you could be really lost because you have never operated one of these before. So, more reason to partner up with somebody that knows what they are doing.

Michael: Yeah, which brings me to my next question. Monte, you have been in the industry for one of the longest careers that I know of, of many of the Domain Sherpas that I have interviewed.

Monte: Seventeen years.

Michael: Seventeen years, but you did not start off in the domain name industry right out of college. I did a little bit of research. You actually started as a medical equipment salesman. Is that correct?

Monte: Yeah, that is correct. I started a medical device manufacturing rep firm right in college, and then brought that business here to South Florida, where there is more doctors per capita than anywhere else in the world. Ended up building a little business doing that, and then I got recruited by a major healthcare company called Eli Lilly and worked for one of their divisions. And then helped with a group of other managers go off and start a couple companies in the space that are not publicly traded and innovators in their particular field of healthcare. But I was majority involved in major capital equipment sales for hospital systems, and doctor networks, and all kinds of stuff from electronic medical records to automated medication and supply distribution systems for hospitals after starting this manufactures rep firm. And while I was with my company I got educated on the domain name business a little bit by one of my customer's sons, who wrote a thesis paper while I was in college about how domain names are like real estate. And this was back in 1994/1995; and he asked me to proofread the paper. And when I did, I was literally bought in. I mean I literally just bought into the (Unclear 56:28.6) of registering domains. That was before Google, before Yahoo, before banner ads, and before any major Internet monetization play other than thinking it was just raw real estate, and put your stake in it now, and someday it is going to be worth something. It turned out it panned out, and helped sell the first million dollar name, which was WallStreet.com in 1999, and sold the first two million dollar name, and basically have sold several hundred million dollars worth of domain names since then.

Michael: So you started the first domain brokerage that research showed as NameShop.com. You started HitDomains.com, which I believe then became a merger with SolutionHome.com to create domain systems.

Monte: That is correct. Which then spawned Moniker. We were like kind of an independent rep with all kinds of registrar reseller programs, and then we just decided to become our own registrar. I went up and bought a registrar from a hosting company out of Canada, which only had eight hundred registrations in it, and then we built that up to three million registration customers over the next three to five years. And then sold the company to Oversee.net in 2007. Before that, I sold it to (Unclear 57:44.5), which was Kanoodle two year before that, and then resold it. And then left Oversee at the end of 2010 and started Right Of The Dot. But we pioneered a lot of things during that time, which were really big industry standards now, which is domain appraisals, the escrow process of transferring your name and changing ownership, and anti-theft mechanisms to help prevent theft at registrars. If you remember back ten - seven - years ago, people were stealing names. Moniker never has a stolen name from it because we had put up anti-theft barriers and really protected the assets of our customers. We were the first ones to do a live auction. The first ones to do an online auction. I ran SnapNames. I ran DomainSponsor while I was with Oversee. So, lots of great things that we have done for the industry. And one of the more famous things that I get a lot of flak from a lot of the attorneys and companies about is I created WhoIS privacy in 2001. So, that now is a standard for everybody, but I am the one who invented it.

Michael: And you pretty much created DomainTools.com as a result of that to be able to store the data before people to go into privacy. So you create their business model by creating the WhoIS privacy.

Monte: Well, for them to find out who owned the domain name.

Michael: Right. Exactly. Or created the necessity for DomainTools is how I should have phrased it. But you have also helped sell WallStreet.com for over one million dollars in 1999. Autos.com for 2.2 million. eCommerce.com. eToys. Mortgage.com. Celebrities.com. So, you have pretty much been in

every area of the domain name industry and helped broker some of the largest and most well known brands on the web.

Monte: That is correct.

Michael: If you look back, Monte, and you look back - not considering what is to come, but you just look back -, what do you consider your great accomplishment?

Monte: Well, going back to all those firsts that we pioneered in the industry that are not industry standards, I consider those great accomplishments because they are used by companies now every day. I also am very proud of what we built at Moniker when I was there. It was a startup out of my house and became a very big force in the domain industry, both as a premium domain brokerage house, a live auction house, and a really kick-ass registrar. And we were the first ones to really kind of integrate all those services together to create a domain asset management company. And people did not really look at the domain names as assets until we kind of put that name on it. People looked at domain names as commodities and that seven dollar or that thirty-five dollar recurring fee that you have pay, and we kind of were the first ones to monetize the traffic, and sell the domain names for more than we had bought it for, and bring a public auction with a live auctioneer, and make sure everybody was aware of what was going on, and created a new investment vehicle for people, and then secured those assets, and made sure they were secure and not able to be stolen from people. That was a big accomplishment. Besides being a father of three and a happy father of three, those are my biggest accomplishments.

Michael: Excellent. So, we talked about Mike Berkens, your partner at RightOfTheDot.com. He also operates MostWantedDomains.com. That is his portfolio. It has probably sixty to eighty.

Monte: Seventy-five thousand.

Michael: Seventy-five thousand domains in there. One of the largest and arguable one of the best domain portfolios in the industry. Do you also have a person domain portfolio, or one of your companies owns a domain portfolio?

Monte: Yes, I have a couple thousand domain names left from what I originally registered. One of our big philosophies, when I was running a company, is: unlike others, we made sure we were not competing with other customers and registering names at the same time that our customers had our names at a registrar now. That may or may not have been a good decision based off of how well a lot of my customers were doing with their big huge portfolios at the time, but we just felt it was not the right thing to do. The right thing to do is to compete with them on drops and domain auctions, and register our own inventory while we were providing services for the same. And we could have been a lot bigger if we did that. For instance, [Oversee.net](#) has accumulated one million domain names over time; so has [BuyDomains](#), and they are also serving customers in the same space. I just felt it was not the right thing to do. I did not think it was the right thing to do to compete. So, we wanted to focus our products and services around supporting all those things that our customers needed, and providing best in customer service, and best in security, and of course, best auctions. The other thing that we did that was different - and that I made sure I was doing for the entire industry - was going outside the domain industry and bringing the domain concepts - the importance of owning and monetizing domain names - to the search engine community; to the adult community; to the affiliate marketing community. They all were using domain names, but they never looked at it in the same way. And I got all the heads of those particular - and ad tech as well - conferences to put domain names up on their panels ever year so that they have those subject lines on how to protect, how to make money with, and what are the important things to know about domain names. And so, that is why I think the industry expanded a lot; because then everybody started doing that and putting booths at shows that were outside the domain industry, which we felt it was important to do. So, we were at Search Engine Strategy conferences, and Web Master Worlds, and Ad Techs, and South by Southwest, and the adult shows. Just every show that touched domain names in various ways to help educate them on the importance and why it is important to own domain names and how much they are really worth.

Michael: Yeah, definitely. So, of the few thousand domains that you have, Monte, what are your favorite top three, let's say?

Monte: Well, I have some domain-type domain names that I registered a long time ago. Matter of fact, DomainSystems was one of the names that we owned that we launched the company off of, and so was HitDomains. So, I have things like TopDomains.com that are around the domain industry. One of the most popular names I own, which is just kind of a niche domain name, which is Trekkie.com for the Star Trek fans.

Michael: Love that one.

Monte: I have a lot of two-letter domain names. I own Stop.com, for example, and Stuff.com with Michael Berkens. We own that in a partnership. And Home.net and things like that. So, we have lots of names like that. I have lots of names like that, but I do not have nearly the premium portfolios that some others have; and that is one of the reasons why we provided brokerage services for those that had great names. So that we could help position those for sale and bring the most return on investment as we could. And that is why I am involved with DomainHoldings and helping them with their brokerage and monetization strategy as well.

Michael: Yeah. All right. So, for anybody that does not know DomainHoldings.com, they do brokerage; they do monetization. That is pretty much it, right? Brokerage and monetization?

Monte: Yeah, they are a complete solution. What they do not have is the registrar piece, but they have a really unique monetization platform that has a rotating multiple advertising feed network similar to what I kind of created back five or six years ago with TrafficClub, except it has a lot more partners and there is direct traffic buys with it, and it kind of optimizes what domain names will be on what network, and keeps those names to optimize the revenue on those.

Michael: Yeah, and we have had Paolo DiVincenzo on here in the past. He is no longer running the DomainHoldings Monetization Platform, but when he was on here he talked about they are optimizing it and I am sure it has come even further since that time. You are a board advisor.

Monte: Right. And we have also built the Brokerage Division into ten fulltime brokers. I think it is the largest brokerage network in the entire industry now, and the focus is on premium domain names. So, it is working well, and it will be one of our partners and channels for Right Of The Dot. When we start selling premium names in the premium domain space in each of these new extensions, we will partner with DomainHoldings for that and also even Sedo, and BuyDomains, and the New Media Group. They have all agreed to be partners of ours and it is going to help us get a lot of these new domain names in the marketplace to the right buyers as well.

Michael: Definitely. All right, Monte, I have got a few more questions here. Let's see. One of my questions was: I have often thought it was confusing that we have mostly three-letter TLDs out there for the general public. .COM. .NET. .ORG. Yeah, you have the .INFO. And when I look at it I say: "Well, .APP. That makes perfect sense." Do you think it is going to be confusing to have longer character extensions than just three letters? When we go to .BLOG will people just absorb it like .INFO, or do you think .GROCERY will take longer for the general public to understand that that is something that they should type to the right of the dot?

Monte: Well, again, because it is addressing a new generation of users and users that have not been on the web before, it is all about education. Now, obviously, the longer the extension the more likely there is to possibly mistype that extension. So, those are things to think about. In terms of navigating and search, I think, again, because Google is making such a big play in the new domain space, they are going to figure that part out. If I am Google, this is a happy day for me because all I want is more Internet users and I make money.

Michael: Right.

Monte: And so, having one million new extensions out there is going to do nothing but generate more awareness and more web traffic, and whatever, for them. And that is probably why they are making such a big play in the new domain space. It is my guess and it is probably right on. So, they do not care if there are one thousand new TLDs tomorrow. As long as they get more Internet traffic, they are going to provide products and services that address



those for their customers. But we also have extensions that people do not really know about. We have .MUSEUM. We have .AERO. We have .TRAVEL, like we mentioned before. There is .JOBS. So, there are current extensions that are actually longer today that people do not really use that much because they are closed and they have restrictions around them. New extensions are going to have various names. There are several hundred applications in new IDNs that are coming that are actually the meaning of current English extensions out today. For example, VeriSign went after, I think, fifteen variations of .COM in IDN extensions. There is also various country and product names in those IDNs. So, you are going to have IDN in the mix here along with English words and foreign words and extensions that are corporate, extensions that have meaning, and extensions that you do not even know what they mean. Abbreviations. There are going to be more three-letter names that stand for various things. It is all about educating the public; and just like we used the example before - the area code example and also the 800-number example -, people do not think you could ever remember that there is going to be 866 along with 800 or 877, but there is. And people just become aware of that; that those are toll free number today. They will be becoming aware and being educated that there are all these other extensions, and they will know what they are, and they will know how to navigate, and there will be tools and companies that help them get there. And that is another new opportunity for businesspeople.

Michael: Yeah. All right, Monte, here is the last question. I brought it up earlier in the show. The MommyBlog.com. Let's say that you are a business owner and, using the example MommyBlog.com, you run a successful business. You want to make sure that you protect your asset by buying Mommy.blog. Or let's say that you are a domain investor and you own MommyBlog.com. You want to be the first person to register Mommy.blog so now you can bundle them together and sell them to somebody who wants to start a business around mommy blogs and network, let's say. For those that are uninitiated to the domain name industry - let's say this is a premium domain, like maybe a Lawyer.blog or something like that -, how would a regular person who does not have the connections, that is not applying for these TLDs, what is the best way for them to go and secure a great domain in one of these new gTLDs that is coming out in the upcoming years?

Monte: Well, unfortunately, there is nobody selling or pre-selling the new gTLDs just yet. However, those that are uncontested are probably going to be starting to take kind of reservations or indications of interest for some of the names that they already have. One of our partners is New Star, and New Star is operating .NYC, for example. There has been several expressions of interest in certain names in .NYC; and the folks that are running that are taking those expressions of interest. And when it comes times that they are going to start releasing those names, either before or after delegation, because you can pre-sell names understanding that you are going to be delegated or create founders programs, which is something we have a specialty in. And that is people that are agreeing to use the domain name to make sure it is their brand that meet certain terms and criteria in an effort to get that name to them first. And they may or may not be paying for that opportunity. But as long as they are meeting the criteria of that new registry, they would have an opportunity to have one of those premium names before it is actually released into the public. Those are some other opportunities that might happen. If somebody is interested and they see who is going to win .BLOG, then they would actually contact the registry or a company like ours, who is going to have several of these letters or early interest indicators that say: "Hey, we have four or five corporate partners that really want a .HOTEL or a .MIAMI name." And then, that could be an auction to the highest bidder at that point if there is more than one interested party, or it might go to the party that has the best business case or provided the best RFP on how they are going to use the name. Remember, all these different new extensions are all going to be competing not only in their own new space, but in the space of now one thousand or five hundred new TLDs. That may or may not be in their vertical. So, there are going to be all kinds of information out there and it is going to be chaotic and confusing, and so it is going to be very important to make sure that the right information and the right marketing is done to make that particular potential customer know who to contact when they want one of the names that meet that criteria in the new gTLDs.

Michael: Yeah, all right. So, a lot to digest there. If you are a business owner and you have heard of one of these new TLDs that is coming out or you are an investor and you want to try and secure the new TLD to match something you might have, look for the backend provider of the registry to offer through their website maybe some sort of early interest designation. They might have

a form on their website or something that you can fill out, saying: "I want Mommy.blog when it becomes available" or "I want to be notified when you are starting to do the early assignments." Or they may have a founders program. I was talking to Stewart Lawley, over at .XXX, and they had a founders program, where they ensured that early domains were developed with good content so that people could see them being used and get an idea that it is a reputable registry system and people are using the domain names. Or if people know that your organization, Right Of The Dot, is handling some of the transactions of the new TLD to exhibit interest to you or Michael Berkens to say: "Hey, I have got an interest in this. I can make use of it. I am willing to pay money," or whatever, to just get your attention and make sure they follow-up with you so that when you are assigning the premiums, or you are looking at founders programs, that you have that data point as well. So, that is even before the Trademark phase. It is before the sunrise period. Before any of that. If they are generics - if they are not trademarked words -, any of these options may work.

Monte: May work. I think a lot of the generic strings are open to founders programs and pre-delegations of names for the right partners and the right money being paid. I mean let's face it. Everybody has a business model, and the sooner they can get to achieve those financial goals they would be willing possibly to sell names early with the promise that, if it does get approved and delegated, the person that they have done the deal with then gets it. Funds may be held in escrow until then. Whatever the deal is, there are lots of creative deals that have been structured in the past and there will be in the future for those. If you remember, there were a lot of founder program's names sold in .XXX before the string was actually approved. So, I think they sold millions of dollars worth of domain names before they even had approval just betting on the fact that they would have approval. If there was no approval, they would have refunded the money back.

Michael: Right.

Monte: So, the answer is yes, those are various ways to contact that. Then, of course, if you a trademark holder, you have the opportunity to protect your trademark in all of these strings going through the sunrise process; and there will be a Trademark Clearing House that will indicate what names meet that

criteria, and then all the trademark holders will come and protect their names in the various strings if they feel it is important to do so.

Michael: And of course, that process has not been defined in detail yet either.

Monte: Not in detail. They are still mapping out what the Trademark Clearing House provider is going to be actually doing and who that partner is going to be. But it would be something like a master database for trademark holders, but it will also have some flexibility. As you know, most every dictionary term has a trademark of one sort. But things like generic terms that also have trademarks, like the word Orange, I think, has two hundred or four hundred different trademarks. But if there was a .ORANGE - there might actually be a .ORANGE, I cannot remember -, it does not mean that Orange Communications automatically gets that string or gets domain names in that string because orange is also a fruit and it is also a color. So, those are different examples, but of course. And then you have the same thing in the gray area names, like .APPLE or Apple something. Apple is also a fruit, but it is a big computer company. So, those things are all sorted out in every new TLD; and they will be sorted out the right way when these are launched as well.

Michael: Excellent.

Monte: It will be an increased financial burden on some corporations that want to protect themselves in every string as a defensive mechanism obviously, but that is what we are playing with in terms of the new industry.

Michael: Yeah, all right, a ton of information to digest and get people ready for the new gTLDs and those who have applications in that might be in contention. If you have a follow-up question, please post it in the comments below and we will ask Monte to come back and answer as many as he can. If you want to follow Monte on Twitter, he is at @MonteCahn. And you are also on Facebook and you connect with people professional there, Monte?

Monte: Yeah, I use the Facebook page. It is 99% just for Right Of The Dot Business. I do not use it personally, so yes, my Facebook page.

Michael: So, Facebook.com/Monte.Cahn.

Monte: Yeah, and it is mostly for Right Of The Dot.

Michael: All right. Excellent.

Monte Cahn, Founder and President of RightOfTheDot.com, thank you for coming on the show, sharing your thoughts on solving the application conflicts for the new gTLDs, and thanks for being a Domain Sherpa.

Monte: My pleasure, and I hope that, in this confusing process and all the things that are going on in the industry, some of the questions and some of the answers have helped clarify how to navigate through it, and I think we are up for some very exciting times in the future in the domain name world and I think it is going to, like I said, raise the tidewater for everybody in terms of value. So, I am looking forward to it and that is why I am still in the business.

Michael: Yeah, I agree. Thank you all for watching. We'll see you next time.

**Watch the full video at:**

<http://www.domainsherpa.com/monte-cahn-rightofthedot-interview/>