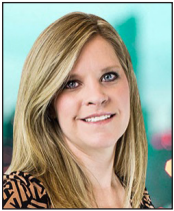


Reprint from DEFENDER, February 2017.



Farris



Shadid

.Auto, .Car, and .Cars – Dot Boom or Dot Bust?

By Jami Farris, *Parker Poe Adams & Bernstein LLP* and Todd Shadid, *Klenda Austerman LLC*

A little more than a year has passed since domain names with the endings .auto, .car, and .cars became generally available. This article examines the short history and use of these automotive generic top level domains (“gTLDs”) in the Internet marketplace.

On January 2012 Internet Corporation for Assigned Names and Numbers (ICANN) began accepting applications for registries for hundreds of new gTLDs. Although commentators had varying views as to whether the gTLDs would gain any traction with businesses and consumers, Google actively pursued 101, including .auto, .car, and .cars.¹ Google paid \$185,000 for each gTLD it was awarded, including the automotive gTLDs.² In an apparent about face in spring 2015, Google bolstered pessimistic opinions when it “dumped” its rights to the automotive gTLDs, despite being actively engaged in developing the self-driving Google Car at the same time.³

Cars Registry Limited, a joint venture between established registrars XYZ and Uniregistry, purchased the automotive gTLDs from Google.⁴ In accordance with ICANN policies, Cars Registry began selling domains with these suffixes to entities which owned matching trademarks from December 9, 2015 to January 12, 2016.⁵ It then offered early bird or Landrush registration for a premium between January 12 and January 20, 2016.⁶ The domains were generally available for purchase beginning on January 20, 2016, with an annual registration cost between \$2,500-\$3,000 per domain.⁷ Although this price is certainly more than the registration fees for most domains ending in .com or .net, which start as low as \$0.99, Cars Registry justifies the higher fees as insurance that purchasers are manufacturers, dealers, or automotive-related vendors who intend to use the domains legitimately, rather than cybersquatters looking to hijack the names for large returns.⁸

Despite the higher cost, Cars Registry says when registration opened, manufacturers quickly reserved names containing their trademarks and products.⁹ Cars Registry also claims dealers comprise more than

half of the daily registrations of domains with these endings.¹⁰ The actual numbers, however, are much smaller than these statistics imply. At the time this article was drafted, 479 active domains and 319 parked domains have the .auto suffix¹¹; 453 active domains and 325 parked domains have the .car suffix¹²; and 420 active domains and 294 parked domains have the .cars suffix.¹³ According to Web Technology Surveys, these automotive gTLDs each constitute less than 0.1% of all websites. In comparison, 48.1% of all websites end in .com and 0.3% of all websites end in .xyz, which is the fastest growing gTLD with more than 6.5 million registrations and which was made available at the same time as the automotive gTLDs.¹⁴

Despite these low numbers, Cars Registry is optimistic about the future of these domains, encouraging dealers to get them while they are still available. In a November 2016 interview, Shayan Rostam, Global Director of Registration Operations for .Cars Domains, explained the benefits to dealers include being able to obtain shorter one and two letter domain names, domain names consisting of dealers’ more common nicknames, or domain names containing geographic terms.¹⁵ He explained these new domains upgrade the dealers’ existing online presences and are mobile friendly.¹⁶ These domains can also provide a portal site where dealer groups can list all of their locations.¹⁷ For an additional fee of \$10,000, Cars Registry will migrate data from dealers’ current websites to their new .auto, .car, or .cars websites, without losing established Google rankings and with no business interruption.¹⁸

Cars Registry touts Hatchett Devlin Auto Group (“HDAG”) as an example of its success stories, noting that HDAG’s site *witchita.cars* ranks high in Google searches for cars in the Wichita, Kansas area¹⁹ HDAG, then known as Scholfield Auto Group, purchased the *witchita.cars* domain during the presale period. In an interview for this article, Trey Cusick, General Sales Manager for HDAG, says he was intrigued by the idea of acquiring the city’s name in the .cars domain.

HDAG did not abandon its .com websites, but rather used *wichita.cars* as a catch all listing the inventory of all three of its locations -- Hatchett Devlin Hyundai West, Hatchett Devlin Hyundai East, and Hatchett Devlin Buick GMC. HDAG specifically advertised the site as a place to find good used vehicles in Wichita. Cusick says while the site has had decent traffic, most people still use .com when trying to search for a vehicle. Additionally, in his experience manufacturers and retailers have yet to use or acquire .cars domains, so .com remains the consumer standard. Since growth of the *wichita.cars* site has stalled, HDAG intends to start branding the .cars site to its dealership name, but will still maintain its .com sites. Cusick feels it is still too early to tell whether .cars will gain significant traction and awareness as a domain for finding cars.

This experience seems consistent with those of Hendrick Automotive Group and Koons Ford, other dealer clients highlighted by Cars Registry. Currently, the domains *hendrick.auto* and *hendrick.cars* migrate to the *hendrickauto.com* site. The *koonsford.auto* site is parked, noting it is still under construction.

Certainly, the new gTLDs provide an alternative to new dealers whose .com names are unavailable or dealers who are unable to control their .com names. It remains to be seen whether customers will change their established patterns of searching for .com names to search for a .auto, .car, or .cars name first so as to make the investment in a new domain or domains worthwhile. ■

References

1. Google Dumps Its CAR New gTLD Domain, What Does That Tell You?, Domain Mondo (May 19, 2015), www.domainmondo.com/2015/05/google-dumps-its-new-gtld-domain-car.html.
2. *Id.*
3. *Id.*
4. *Id.*
5. See www.instra.com/en/domain-names/newgtld/auto-domain-registration/auto; www.instra.com/en/domain-names/newgtld/car-domain-registration/car; www.instra.com/en/domain-names/newgtld/auto-domain-registration/cars
6. See *id.*
7. See *id.*; Wolfe, Jennifer, *Case study: will new domain extensions provide an SEO boost?*, Search Engine Watch (Nov. 9 2015), <https://searchenginewatch.com/sew/study/2433834/case-study-will-new-domain-extensions-provide-an-seo-boost>.
8. Stum, Jason, #21: .Cars .Car and .Auto Domains – Year One Update, MarketPunch (Nov. 29, 2016), <http://marketpunch.auto/21-cars-car-and-auto-domains-year-one-update-podcast/>.
9. *Id.*
10. *Id.*
11. See www.nldstats.com/tld/auto.
12. See www.nldstats.com/tld/car.
13. See www.nldstats.com/tld/cars.
14. See www.nldstats.com/tld/xyz.
15. Stum, *supra* note 8.
16. *Id.*
17. *Id.*
18. *Id.*
19. *Id.*

Jami Farris is a partner in the Charlotte office of Parker Poe Adams & Bernstein LLP. Mrs. Farris represents and advises large automotive groups and individual dealers on a wide variety of issues, including the Motor Vehicle Act, federal regulation, contract drafting, consumer claims, social media and the internet, contract and commercial torts litigation, buy-sell issues, real estate, and construction.

Todd Shadid is a member of the litigation section at Klenda Austerman, LLC. Mr. Shadid represents automobile dealers in all aspects of their business, including franchise relations, employment issues, advertising, corporate structure, financing, consumer and vendor contract compliance, and litigation prevention.