



## Networks of Brand-Sharing Domains

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Below I will discuss the networked-sites approach to brand-sharing domain names and explore why it is so useful. I will also discuss why brand owners resist the approach, and I will lay out the shortcomings of four more favored approaches: indiscriminate legal action, the contractual Web site content-development strategy, inaction, and blind acquisition of the domain names that share the brand.

### Benefits

[Analyses](#) suggest that the solution to brand-sharing domain names has to be based on cooperation between brand owners and the owners of the domain names that include the brand. Both sides will experience give and take, with the final arrangement evolving between them.

Brand owners should facilitate and encourage formation of networks around a shared brand. Such Web sites provide benefits to brand owners, domain owners, and the online community.

1. Benefits to brand owners
  - a. [Distributed knowledge](#) is superior to relying on individual abilities. Enthusiasts can build their own Web sites, along the lines of Coke's [storytelling content](#), across various emotional angles: "romance," "family," music, etc. Each site within a network tells a different personal story that converges around the brand; the result is storytelling through [brand communities](#). The enthusiasts' sites can also be used to support secondary common interests, such as Coke's [music](#) site.
  - b. As in [successful blog structure](#), cross-linking of enthusiasts' Web sites encourages competition and cooperation between them. Competition increases the quality of Web sites, which benefits brand and site owners.
  - c. Networked sites foster viral marketing, which can lead to cult followings whose members compete to be the first to know about the brand owner's next product or service. Consider the Internet attention given to [spoilers](#) for the TV show *Survivor*.

- d. The network can lift search engine result rankings for the brand owner and for the brands' enthusiasts, thus increasing visibility and traffic.
  - e. The more customers learn about a brand, especially from authentic experiences, the more likely they are to buy.
  - f. There is no need for a leader, as networks are self-organizing. This results in lower costs for coordination and marketing, as each member in the network contributes to the brand message.
  - g. Networks can police themselves. Rogue sites cannot survive within the network because the enthusiasts' sites would not give them any links.
  - h. Brand owners can mine customer information across independent sites. New marketing models seek to expand customers' emotional, social, and intellectual investment. Independent networked sites help to better understand how and why audiences react to the content.
2. There are also benefits to Internet users, in general:
    - a. Competition through the network makes content less likely to be corrupted by the media or brand owners. This is in contrast to mass media that are driven by advertising for a common-denominator audience.
    - b. User experience benefits because of better sites and fewer sterile parking pages.

### **Resistance from brand owners**

1. Why not hire contractors, specialists in developing domain names, instead of trusting in amateurs who do as they please? First, because experience shows that globally distributed Web site content development is superior to [centralized country outsourcing](#). Second, because experience also shows that, when it comes to brand sites, love is a better motivator than money.

Effective development requires that developers feel ownership of the created product. This means:

- a. They are foremost doing it for themselves, their friends, and the community.
  - b. They feel that they are making a difference. Mass media offers no such ownership empowerment.
2. Why not indiscriminately litigate?
    - a. Invoking the federal Anti-Dilutions Act, which Congress passed in 1996, has had limited success. Traditional trademark protection focused on preventing consumer confusion. Over time, the trademark

acted as a quality and/or cultural signal about the trademark owners' products and services. Legal action was mostly limited to suits among competitors in similar markets. The antidilution law is intended to protect famous brand names, irrespective of the likelihood of confusion or use. Although in some cases courts have allowed a fair use exception, litigation costs put a strain on pursuing exception claims based on fair use. Nevertheless:

- i. Indiscriminate litigation can backfire. Examples include [the recording industry's](#) mishaps, [Diebold's](#) threat to students, and the reaction of [Harry Potter fans](#).
  - ii. Litigation by a group of brand owners can result in contrary legal action by outsiders. When Hollywood sued Grokster and asked the Supreme Court to expand contributory compensation of the makers of technologies that are used to infringe copyrights, Hollywood found itself in opposing briefs filed by companies like Intel, Sun, and AT&T, and by foundations such as the Free Software Foundation and the Consumer Federation of America.
  - iii. Court decisions can come too late to have any impact. In the Diebold case, a court held that the unauthorized publication of files that were not intended for sale and carried such high public value was a fair use. Thus, the ISPs were not liable for providing a conduit. However, the case was decided in September 2004, long after the information would have been relevant to the voting-equipment certification process in California.
3. Why not do nothing or acquire the domain names? For one, [there is value destruction](#) for brand and domain owners. Moreover, such a strategy doesn't make the problem go away and the [new proposed TLDs](#) can exasperate it.

#### **Additional References**

1. Henry Jenkins, [Convergence Culture: Where Old and New Media Collide](#).
2. Yochai Benkler, [The Wealth of Networks: How Social Production Transforms Markets and Freedom](#).