

## ICANN's gTLD ruling

### Overview

July 2008

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## What is the new gTLD ruling?

At their public meeting in Paris on 26 June, ICANN (Internet Corporation for Assigned Names and Numbers), approved that the introduction of new generic top-level domains (gTLDs) will move forward under a new framework. This means that the award of new gTLDs will be made much easier and also allow them to be implemented much more quickly, without any specific limit on the number that can be introduced.

## Why has it come about?

ICANN's view is that the introduction of new gTLDs is central to fostering choice and competition in domain registration services, and as such is significant to the promotion of ICANN's core values. They believe that the evolution of the namespace toward enhanced diversity of services and service providers must go ahead. They argue that it will be planned and managed effectively to ensure that the security, stability, reliability, and global interoperability of the Internet is maintained.

ICANN's work on the introduction of new top-level domains (TLDs) has been underway since 1999. By mid-1999, a working group had reached consensus on two issues, namely that "...ICANN should add new gTLDs to the root. The second is that ICANN should begin the deployment of new gTLDs with an initial rollout of six to ten new gTLDs, followed by an evaluation period". The initial work was undertaken throughout 2000 and saw the introduction of, for example, .coop, .aero and .biz. After an evaluation period, a further round of sponsored TLDs (sTLDs), was introduced during 2003 and 2004 which included, amongst others, .mobi and .travel. The most recent gTLD to be launched was .asia in 2007.

ICANN's view is that a key driver of change has been the introduction of competition in the registration of domain names through ICANN Accredited Registrars. From an initial situation where there was a monopoly at both Registry and registrar level for .com, by June 2008, there were more than 900 accredited registrars. By having such high numbers of registrars, ICANN argues that this produces ongoing downward pressure on the prices end-users pay for domain name registration.

## What is the background to this ruling?

ICANN is made up of a number of supporting organisations and it uses these organisations to develop policy. The ICANN view is that this is a method to develop bottom-up, consensus based policies i.e. to help to promote the development of internet policy and encourage diverse and international participation in the technical management of the Internet. While this position has some merit, it is arguably a very clumsy and slow method of introducing and managing change.

The policy on new gTLDs was created by the GNSO (Generic Names Supporting Organisation). Many people have called for the introduction of new gTLDs and for the process to approve these to be able to facilitate the introduction of new gTLDs in an orderly and transparent way. The questions that have been addressed by the GNSO to get to this stage have involved addressing technical, economic, operational, legal, public policy, and other considerations. The intended result is supposed to be a straight forward process that awards new gTLDs if they satisfy the criteria and no objections are sustained.

Some of the main reasons given for introducing new gTLDs were:

- It is consistent with the reasons previously articulated in 1999 when the first proof-of-concept round for new gTLDs was initiated.

- There are no technical impediments to the introduction of new gTLDs, as evidenced by the two previous rounds and as confirmed by technical experts.
- Expanding the domain name space to accommodate the introduction of both new ASCII and internationalised domain name (IDN) TLDs will give end users more choice about the nature of their presence on the Internet. In addition, users may be able to use domain names in their language of choice.
- There is demand for additional gTLDs as a business opportunity, which can stimulate competition at the registry service level.
- No compelling reason has been articulated not to proceed with a new gTLD round.

Early in the consultation process, the Business and Intellectual Property Constituencies provided reasons for restricting a new gTLD round to sponsored TLDs (sTLDs), but ultimately the rough consensus not to limit the introduction of new gTLDs was agreed by the GNSO.

### **How will this ruling be implemented?**

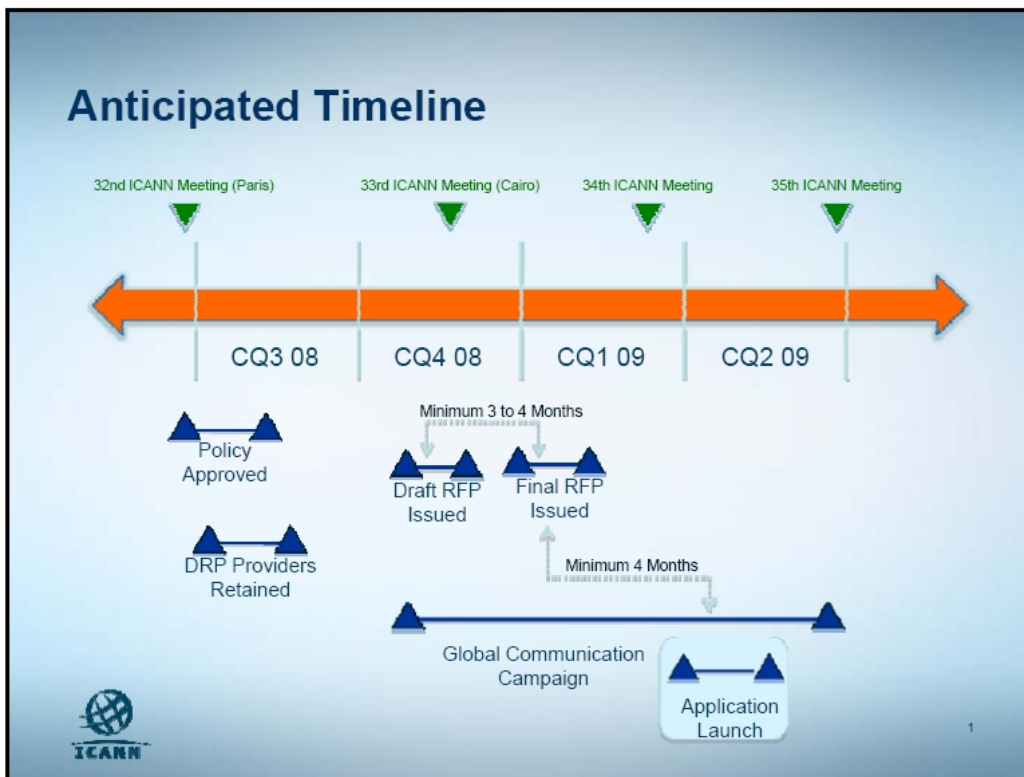
An application, evaluation, objection and approval process for these will be implemented with clear guidelines as to what Registries need to adhere to, to be awarded the requested gTLD. IDN gTLD suffixes will also be allowed. This means that the possibility of any string as a gTLD may be possible, such as .ebay, .ups, .music, .mp3, .news, .dove, .apple etc. There are already interested consortiums who have lobbied and are ready to establish city-based gTLDs like .nyc (for New York City), .berlin and .paris.

The application and selection procedure for new Registries will take into consideration such things as:

- They should respect the principles of fairness, transparency and non-discrimination
- Strings must not be confusingly similar to an existing top-level domain (e.g. 2-letter country codes)
- Strings must not infringe the existing legal rights of others that are recognised or enforceable under generally accepted and internationally recognised principles of law (e.g. must make proper allowance for prior third party rights, in particular trademark rights as well as rights in the names and acronyms of inter-governmental organisations (IGOs))
- Strings must not cause any technical instability
- Strings must not be a 'Reserved Word'
- Registries must use ICANN accredited registrars
- Strings must not be contrary to generally accepted legal norms relating to morality and public order.

### **What is the timeline for the introduction of the new gTLDs?**

Below is a slide from ICANN that shows that we are still some time away from the actual gTLDs being available to register. The final policies have to be approved, Dispute Resolution Providers (DRP) selected, Requests for Proposals (RFP) created and the application process launched. The application process here is shown to be around Q2 09, although at the ICANN meeting it was stated and felt that this timeline was optimistic. After the application process, then it usually takes some time before a Registry puts in place their final requirements and terms and conditions policies, signing up registrars etc. By this reckoning, new gTLDs going live must be at least a year away.



#### What is NetName's view on the new ruling?

ICANN has always had the ability to allow the introduction of new gTLDs and has approved the introduction of a small number in recent years. This proposal will potentially allow for new gTLDs to be introduced with fewer restrictions. However, there has not been great demand for new gTLDs either from users or potential providers and those new gTLDs which have been introduced, with one or two exceptions, have not been particularly successful.

It is not yet clear how ICANN will attempt to regulate the introduction of new gTLDs and what restrictions they will impose on the operators of these gTLDs, however there are potentially negative and damaging consequences for users of domain names, especially companies, brand and trade mark owners. If companies need to register domain names even more widely to protect their intellectual property then this will mean increased cost and increased risk.

We question whether or not new gTLDs will be particularly successful and believe that it is unlikely that internet users will change their habits, at least in the short term. Users will typically want the .com first and thereafter local country codes next. This user choice is reflected in the value of domain names in the secondary market.

One potentially useful outcome of the proposal might be the introduction of gTLDs in non-Latin scripts like Cyrillic or Arabic. This would permit complete internationalised domain names and assist the spread of the Internet into areas where these scripts are commonly used.