High Level Governmental Meeting

Akram Atallah | ICANN55 | 7 March 2016

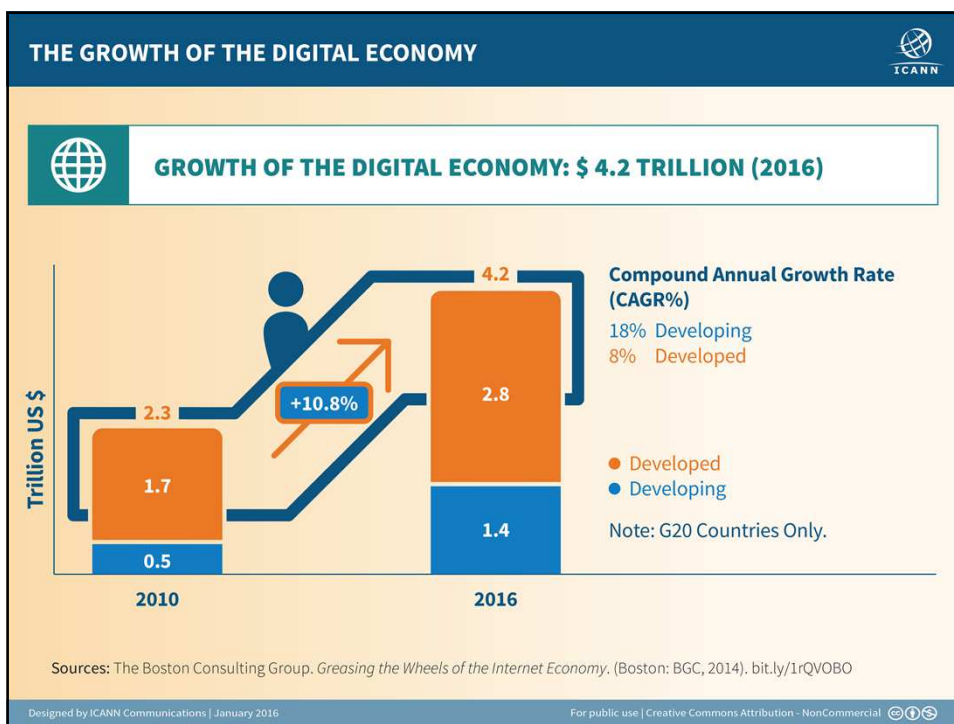## Agenda

Digital Economy & New gTLD Program
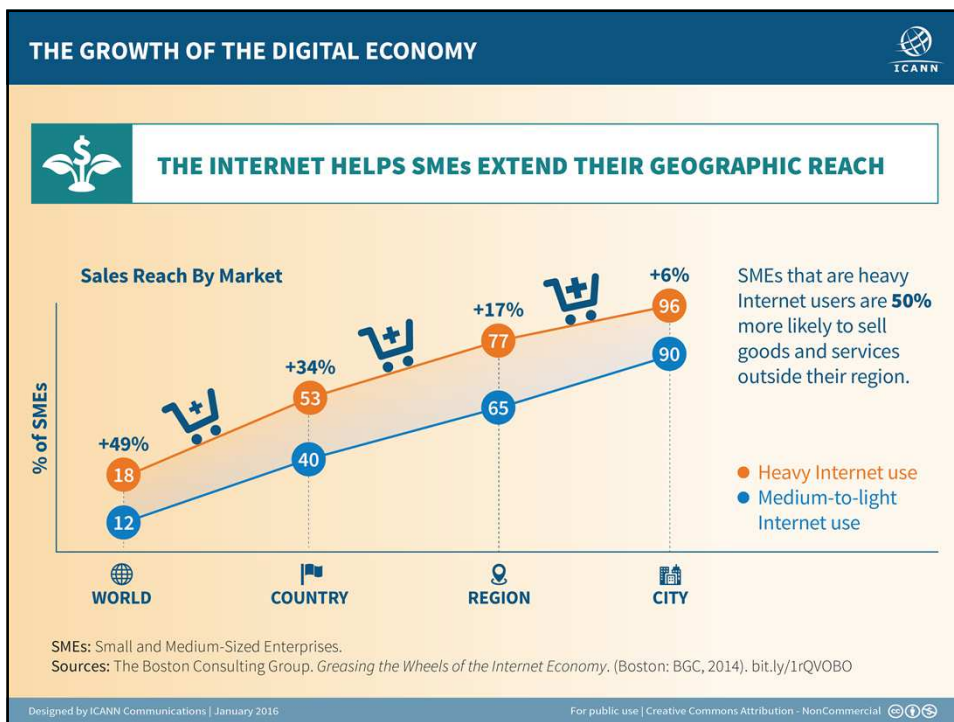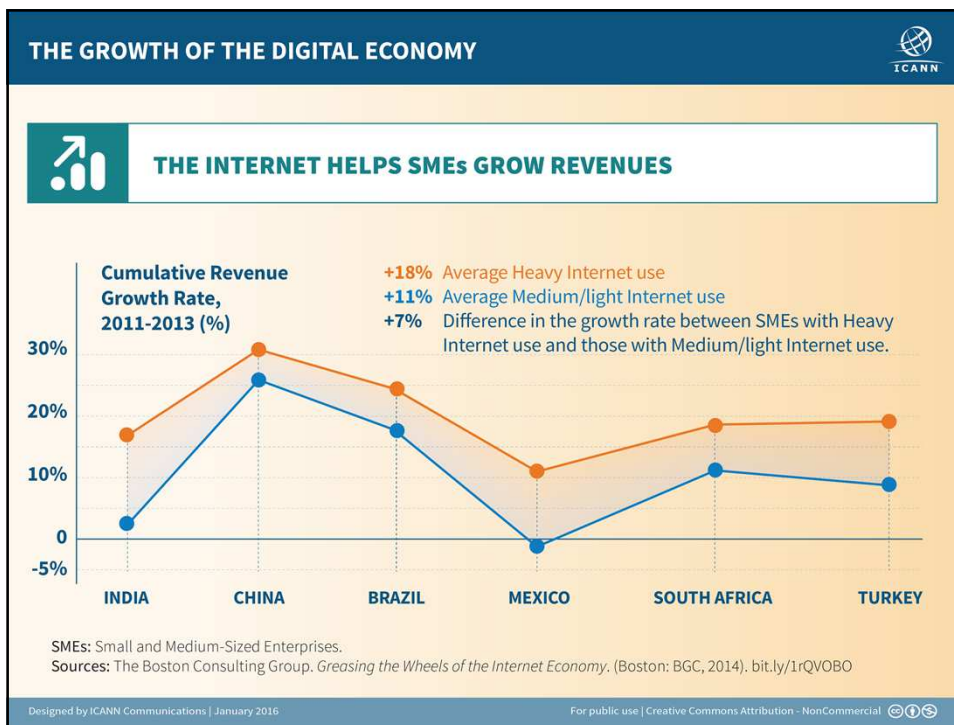
GAC Advice & Outcomes for Public Policy

New gTLD Program Reviews & Participation Opportunities

Digital Economy & New gTLD Program

THE GROWTH OF THE DIGITAL ECONOMY

GROWTH OF THE DIGITAL ECONOMY: $ 4.2 TRILLION (2016)

Trillion US $

2010
- 1.7
- 0.5
- 2.3

+10.8%

2016
- 2.8
- 1.4
- 4.2

Compound Annual Growth Rate (CAGR%)
18% Developing
8% Developed

● Developed
● Developing

Note: G20 Countries Only.

Sources: The Boston Consulting Group. *Greasing the Wheels of the Internet Economy*. (Boston: BGC, 2014). bit.ly/1rQVOBO

THE GROWTH OF THE DIGITAL ECONOMY

THE INTERNET HELPS SMEs GROW REVENUES

Cumulative Revenue Growth Rate, 2011-2013 (%)

+18% Average Heavy Internet use
+11% Average Medium/light Internet use
+7% Difference in the growth rate between SMEs with Heavy Internet use and those with Medium/light Internet use.

INDIA · CHINA · BRAZIL · MEXICO · SOUTH AFRICA · TURKEY

SMEs: Small and Medium-Sized Enterprises.
Sources: The Boston Consulting Group. *Greasing the Wheels of the Internet Economy*. (Boston: BGC, 2014). bit.ly/1rQVOBO

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THE GROWTH OF THE DIGITAL ECONOMY

THE INTERNET HELPS SMEs EXTEND THEIR GEOGRAPHIC REACH

Sales Reach By Market

% of SMEs

+6%
+17%
+34%
+49%

96 / 90 (CITY)
77 / 65 (REGION)
53 / 40 (COUNTRY)
18 / 12 (WORLD)

WORLD · COUNTRY · REGION · CITY

SMEs that are heavy Internet users are **50%** more likely to sell goods and services outside their region.

● Heavy Internet use
● Medium-to-light Internet use

SMEs: Small and Medium-Sized Enterprises.
Sources: The Boston Consulting Group. *Greasing the Wheels of the Internet Economy*. (Boston: BGC, 2014). bit.ly/1rQVOBO

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New gTLDs: Transforming the Internet Ecosystem

Competition

Innovation

Choice

- ⊙ Mature Domain Name Industry
- ⊙ Internet Economy and GDP
- ⊙ Entry into emerging markets
- ⊙ Using Top-Level Domains in new ways: Brands, Cities and Common Interest Groups
  - ⊙ Foster reputation online
  - ⊙ Increase visibility & revenue potential
  - ⊙ Correlation between cities and their businesses, businesses and their products, and communities and their interests

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GAC Advice & Outcomes for Public Policy

GAC Advice

ICANN's Governmental Advisory Committee (GAC) has been highly active in shaping the New gTLD Program.

Addressed	• Problematic, highly sensitive applications. • Broad categories of strings.

Issued:		Provided advice on:	
187	Early warnings	23	Specific applications
9	Communiqués	491	Apps under broad categories
70+	Items of advice	1930	(All) Applications

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Board Response to GAC Advice

Purpose
Address applications identified by governments as problematic
(e.g., those that potentially violate national law or raise sensitivities).

26 Apps	Category 1: 386 Apps	Category 2: 186 Apps
Application-Specific	Safeguards for broad categories	Exclusive access for generic TLDs
Implemented on case-by-case basis	Added to Specification 11 of Registry Agreement as Public Interest Commitments	Affected applicants could change applications to be non-exclusive or defer application to next round

Learn more in the Comprehensive Report of NGPC Responses to GAC Advice re: the New gTLD Program:
https://www.icann.org/en/system/files/files/gac-advice-scorecard-07oct15-en.pdf

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Application-Specific Advice

GAC advises ICANN that it has come to a consensus that a particular application should not proceed. This creates a strong presumption for ICANN Board that the application should not be approved.

Board response: Accepted – certain apps not proceeding

Example:

.THAI	⊙ Application did not have support of Thai government
	⊙ Accepting GAC advice, ICANN informed applicant that the application would not proceed

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Advice on Communities

GAC raises concerns about costs of pursuing community objection, threshold for passing Community Priority Evaluation, consistency in outcomes. Advises that ICANN Board consider feasibility of appeal process for Community Priority Evaluation.

Board response: Accepted – considered & resolved

Applies to:

Community Applicants	⊙ Predictability & fairness important for current round
	⊙ Consider review mechanism for future rounds

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Advice on IGO Protections

Appropriate preventative initial protection for IGO names and acronyms on list provided by GAC should be in place before any new gTLDs launch.

Board response: Accepted – names reserved

Example:

| IGO.GTLD | ◉ Full name reserved in two languages |
| | ◉ Ongoing dialogue on IGO acronym protections |

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Safeguard Advice

Topic	Advice	Implementation
WHOIS	Require Registry Operators to conduct accuracy checks and publish statistical reports	ICANN conducting periodic accuracy checks and publishing reports
Mitigating Abuse Activity	Ensure terms of use for registrants include prohibitions on abusive activities	Incorporated in Specification 11 of Registry Agreement: prohibitions must be included in registrant terms of use
Security Checks	Require Registry Operators to conduct technical analysis of security threats in TLD	Incorporated Specification 11 of Registry Agreement: prohibitions must be included in registrant terms of use
Complaint Handling	Ensure mechanism for complaint about WHOIS or abusive activity	Ensure mechanism for complaints about WHOIS or abusive activity

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Category 1 Advice

GAC advises that strings linked to regulated or professional sectors should operate in a way that is consistent with applicable laws. These strings are likely to invoke a level of implied trust from consumers, and carry higher levels of risk associated with consumer harm.

Board response: Accepted – safeguards implemented

Examples:

Regulated Sectors:	.ORGANIC, .FOREX, .BOOK
Highly Regulated Sectors:	.PHARMACY, .CHARITY, .AUTOINSURANCE
Special Safeguards:	.GRIPE, .FAIL, .SUCKS, .WTF
Inherently Governmental Functions:	.ARMY, .NAVY, .AIRFORCE

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Category 1 Advice Safeguards

KEY   ● Regulated Sectors   ● Highly Regulated Sectors   ● Special

● ● Registrant terms must require compliance with all applicable laws.
● ● Registrants must be notified that compliance is required.
● ● Registrants collecting sensitive financial & health data must secure properly.
● Publish point of contact to facilitate relationships with relevant industry / regulatory bodies.
● Registrants must provide current administrative contact information (abuse).
● Registrants must possess licenses or credentials for relevant sector.
● Registry to consult with authorities re: credential authenticity complaints
● Registrants must report updates / changes to credentials.
● ● Registration policies must minimize risk of cyberbullying / harassment. Registrants mustn't misrepresent or falsely imply gov. or military affiliation.

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Category 2 Advice

For strings representing generic terms, exclusive registry access should serve a public interest goal.

- ⊙ 186 applications qualified as "exclusive generics"

Board response: Accepted – exclusive generics dropped

Examples:

.PHONE .MOBILE .CLOUD	⊙ Applications that dropped exclusive registration policies could proceed; others were deferred until next round. ⊙ 184 of 186 applicants agreed to modify their applications to become non-exclusive.

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New gTLD Program Reviews & Participation Opportunities

Future Rounds: Public Policy Issues from GAC Advice

National, cultural, geographic, religious significance
The NGPC noted that it stands ready to hear from the GAC regarding possible refinements, for future rounds, of the Applicant Guidebook with respect to the protection of terms with national, cultural, geographic and religious significance, in accordance with the 2007 GAC Principles on New gTLDs.

String confusion
The NGPC noted that this topic may be of further discussion by the community is it considers future rounds of the New gTLD Program, and specifically asked the GNSO to consider this issue.

Communities
The NGPC determined that to promote the goals of predictability and fairness, establishing a review mechanism more broadly may be more appropriate as part of future community discussions about subsequent rounds of the New gTLD Program.

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Review: Competition, Consumer Trust, & Consumer Choice (CCT)

Affirmation of Commitments 9.3:

ICANN will organize a review that examines the extent to which the introduction or expansion of gTLDs has promoted **competition, consumer trust, and consumer choice**, as well as effectiveness of:

(a) the application and evaluation process, and
(b) safeguards put in place to mitigate issues involved in the introduction or expansion.

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Program Implementation Review Findings

1 — **Consider ongoing work** by various community groups regarding geographic names in defining future procedures.

2 — **Continue engagement with GAC** during the review process and development of future procedures. Ensure its input is incorporated into relevant processes as early as possible.

3 — **Consider all dimensions of feedback** received regarding Community Priority Evaluation scoring/framework before next round

4 — **Consider researching globally-recognized procedures** that could be adapted for implementation of Applicant Support Program

5 — **Leverage ICANN's Global Stakeholder Engagement team** to promote awareness of New gTLD Program locally

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New gTLD Program: Review Processes

Competition, Consumer Trust & Consumer Choice (CCT)	Examines extent to which Program has promoted competition, choice, trust, and process and safeguard effectiveness
Trademark Clearinghouse Independent Review	Examines aims, functionality and operation of TMCH in light of GAC proposals, any unforeseen issues
Root Stability Review	Reviews effects of Program on operations of DNS root system

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New gTLD Program: Policy-making Processes

New gTLD Subsequent Procedures
- Issue Groupings:
    - Process/Support/Outreach, TLD Types, Rounds, Fees
    - Contractual Terms, Registrar requirements, Registrant Protections
    - String Contention, Objections and Disputes
    - Internationalized Domain Names
    - Technical and Operational Criteria

Rights Protection Mechanisms:
- UDRP
- Startup protections: Trademark Clearinghouse, Sunrise period, Trademark Claims
- Ongoing protections: URS, Post-Delegation Dispute Resolution Procedures

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Ways to Engage

CCT Review Team
- Proceedings are public
- Report will be posted for comment
- Recommendations considered by Board prior to implementation
- Learn more: https://newgtlds.icann.org/en/reviews/cct

Policymaking in GNSO
- Work closely with GAC
- Policy proposals available for comment throughout process
- Learn more: http://gnso.icann.org/en/group-activities/active/new-gtld-subsequent-procedures

Study on root server system
- Draft report available for comment
- Recommendations will be considered by Board prior to implementation
- Learn more: https://newgtlds.icann.org/en/reviews/ssr

Trademark Clearinghouse Independent Review
- Draft report available for comment
- Recommendations will be considered by Board prior to implementation
- Learn more: https://newgtlds.icann.org/en/reviews/tmch

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Engage with ICANN

Thank You and Questions

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