

## A multidisciplinary team primed to respond to the emergence of the new gTLDs marketplace

### 1- Background

In 2008, the Internet Corporation for the Assignment of Names and Numbers (ICANN), the organisation in charge of coordinating the Internet Domains Names Space (DNS), took the landmark decision to open widely the creation of new generic top level domains.<sup>1</sup> Currently, the Domains Names Space consists of 22 gTLDs and over 250 ccTLDs. Since its inception, in 1998, one of the main duties and challenges of ICANN has been to introduce more competition in the generic top level domain space, which originally was conformed of only 9 foundational gTLDs, like .com, .net, .org, .gov, or .edu. Since then, by the mean of two previous rounds calling for the application for new gTLDs, in 2002 and 2004, ICANN has added 13 new gTLDs to the generic root zone, 6 of them, like .info and .bizz are not sponsored gTLDs, while the other 7, like .mobi, .job, .cat and .asia are sponsored gTLDs. In contrast with these two previous rounds, in this third round and the followings to be launched later on, almost any string may be added to the generic root zone. In particular, a great opportunity is now opened to cities and regions which are allowed to create their own “dotCity” or “dotRegion” and to corporations and companies which are allowed to create their own “dotCorp” or “dotBrand”.

After a lengthy process of discussion, related mainly to potential disputes regarding trademarks and to the flexibilisation of the prevailing impeachment of vertical integration between registries and registrars in the generic domain space, ICANN published the last version of the Application Guide Book, last may 2011.<sup>2</sup> It has to be noticed that ICANN has a multi-stakeholder governance structure in which decisions are adopted in a bottom up process. The main organisation within ICANN involved in this discussion is the Generic Names Supporting Organization (GNSO), whose structure is composed by two Houses – Contracted Parties House and Non Contracted Parties House – and the GNSO Council.<sup>3</sup> Another stakeholder in this discussion is the Government Advisory Council (GAC) that represents Governments. However, even if GAC’s advices to the ICANN Board are not bidding, the ICANN Board has to justify the reasons why a particular advice has not been followed. Regarding the DAG, the GAC expressed during the last year a wide range of concerns, related mainly to trademark issues, the reserved names for IOC and Red Cross, the sensitive strings, vertical integration and root scaling. A substantial work was accomplished between the GAC and the ICANN Board to solve controversies rose, however there are still a number of non solved issues.<sup>4</sup>

Finally, ICANN officially adopted its new policy on the new generic top level domain names at its Singapore meeting, in June 2011.<sup>5</sup>

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<sup>1</sup> Formally, the ICANN Board ratified a policy regarding the creation of new gTLDs, adopted in a bottom up process by the GNSO Council in 2007, after 2 years of consensus building, and instructed the ICANN staff to draft an Application Guide Book (DAG), which would be the core of the respective RFP.

<sup>2</sup> <http://www.icann.org/en/topics/new-gtlds/dag-en.htm>

<sup>3</sup> The Contracted Parties House is composed by two Stakeholders Groups: Registries and Registrars. The Non Contracted Parties House is composed by two Stakeholders Groups: Commercial and Non Commercial.

<sup>4</sup> See ICANN’s rationale at this respect: <http://www.icann.org/en/minutes/rationale-gac-response-new-gtld-20jun11-en.pdf>

<sup>5</sup> <http://www.icann.org/en/minutes/resolutions-20jun11-en.htm>

According to the new timetable, local authorities and companies will have to register their application for their own gTLD during a 3 months period, probably between 12/1/12 to 12/4/12. New rounds should be opened later, but that will depend on the feedback from this third round and of the results of the Review setup by the Affirmation of Commitments.

Between now and the end of 2011, cities, regions, companies and corporations have to decide whether or not they are going to apply for their own dotCity, dotRegion, dotCorp, dotBrand or any other string. Anyone in a position of responsibility to a particular name will have to decide YES or NO whether the creation of a new top level name is in their interests.

A failure to act now could result in the city mayor, company president or CEO discovering too late that its own organization has not alerted him about this opportunity.

## 2- Why create a dotCity, dotRegion, dotCorp, dotBrand ... ?

The decision to launch a new gTLD will have different strategic implications in terms of:

- **Legal issues:** Protection of Trademarks, brands ...
- **External communication:** With a “.”, all activities, branches or subsidiaries of the company could be linked at the level of the DNS to the name of Corp. Examples of this could include
  - For a Corp:**
    - o “division-x.corp”, “country-x.corp”, “office-x.corp” ...
    - o “product-x”, “product-family-x.corp” ...
    - o “event-x.corp”, “campaign-x.corp” ...
    - o “non-profit-initiative-x.corp”, “foundation-x.corp” ...
  - For a City/Region:**
    - o “culture.city”, “education.city”, “social.city” ...
    - o “neighbourhood.city”, “city.region”, “area.city”, “building.city”
    - o “company-x.city”: important objective for cities that aims to identify a company to city (dior.paris ...)
    - o “people-name.city” targeting all citizen. That could be in relation with their own e-Portfolio,
    - o “association-x.city”
    - o “local-agency-x.city”
    - o “event-x.city” ...
- **Internal Communication:** Looking for internal cohesion
  - For a corp:**

In the world of the Internet, companies have to confront the temptation of branches and subsidiaries having their own net identities. Brand recognition at the level of the Domain Name is a major concern for companies seeking to reinforce a sense of common identity within their organisation as a whole. The setting up of a “dotCorp” can be used by companies as a strategic tool in this perspective.
  - For a local authorities:**

The same idea adapted to the context of local agencies, neighbourhoods, citizens ...
- **Security:** Very important point because of the increasing risk of “Internet Phishing”. The “.xyz” TLD would provide public or private organisations with the flexibility to manage directly all sub-domains while eliminating the risk of fraudulent uses of the organisation name. This

will be possible when an organisation launches its own extension and communicates on the decision to remove all the other domains on “.com”, “.net”, “.uk”, “.de” ...

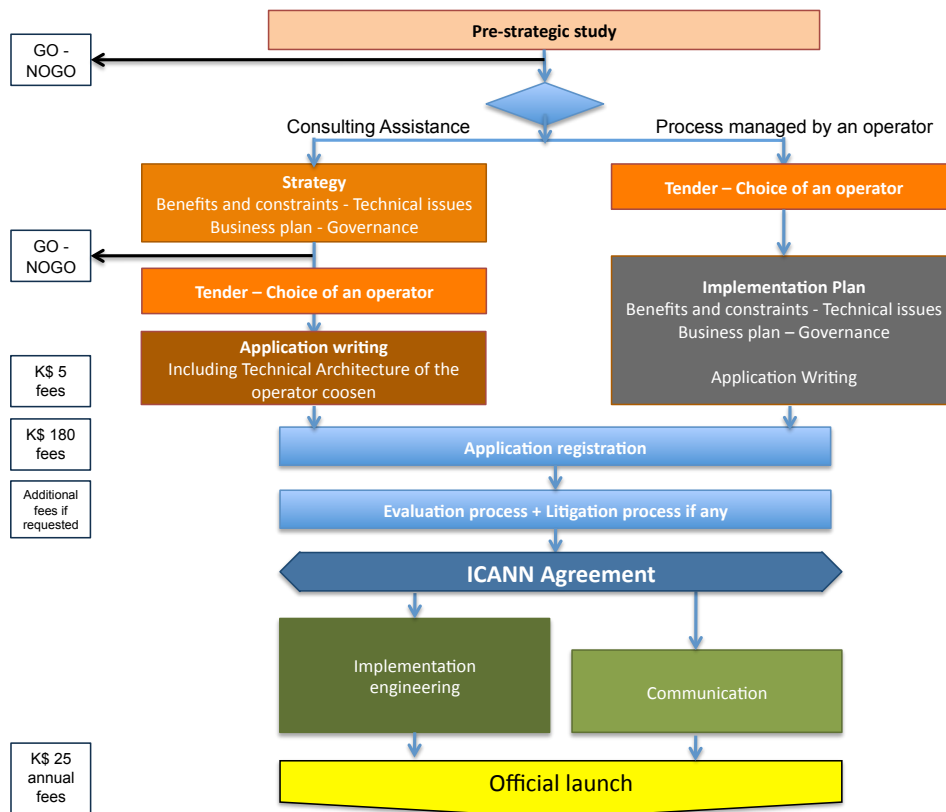
- **New “dotCorp” TLDs launched by competitors.** Local Authorities and Market players have to decide if they are going to apply for their “dotYourName”. Among them are many of Corp’s competitors or local authorities that are likely in a kind of competition between themselves. For example Canon is already in the process of applying for the “.canon” TLD. Many others are understood to be thinking about submitting applications including many American, Chinese and European companies.

### 3- What organisations have to do?

There are two major approaches that can be followed in order to carry out the process.

- one totally controlled within the organisation with the assistance of a consulting company,
- another one in which the organisation takes the decision after a first short study and issue a tender in order to choose the operator that takes all the process in charge.

The whole process can be summarize by the following chart:



### 4- Presentation of gTLD Team

Founded in 1994, ITEMS International is a consultancy firm specialized in strategic consulting in the area of telecommunications and the Internet. Headquartered in Paris the company has offices in Rome and Algiers and is represented in UK, Belgium, Germany, Spain, Sweden. The company also



works with an international network of correspondents in North America (USA and Canada), Latin-America (Brazil, Argentina, Chile), Asia (Japan, China) and Africa.

ITEMS International is specialized in strategy, marketing and international think-tank fora in the area of Information and Communication Technologies (ICT). The company has extensive experience in helping public institutions and companies develop their ICT strategies. Our main areas of expertise are Market definition, market opportunities, organisation, conducting of strategic audits, due diligence, partner investigations, products and services analyses, business plans and local authorities ICT development strategies.

ITEMS International has been working in Domain Names business since 2007 by working first with the French “.fr” Registry<sup>6</sup>: AFNIC.

In partnership with AFNIC, ITEMS has carried out strategic and marketing and technical studies. The company provided strategic assistance to AFNIC in its application for the .paris tender (The city of Paris had already launched its own Project and submitted its own tender. AFNIC has won this tender at the end after a lengthy and tense competition).

4

In 2008, ITEMS was appointed by the French Government to assist it in the Framework of the EU French Presidency on the “Internet of the Future” issues. The company assists the government on all questions related to the Governance of Internet. In addition, ITEMS organised a successful international conference in cooperation with the European Commission.

In 2009, ITEMS was appointed, after an international bid, by ICANN for the Strategic Review of ccNSO, one of the ICANN’s three Supporting Organizations. As part of this assignment, ITEMS consultants carried out the most comprehensive survey of the ccNSO<sup>7</sup> ever conducted. This was aimed at ccTLD (country codes) managers including members and non-members of the ccNSO and other stakeholders in the ccTLD community. As a result of this project ITEMS has an in-depth understanding of the workings of the ICANN system.

In 2011, ITEMS was appointed for a new Strategic Review for the Address Supporting Organisation. For this review, ITEMS enlarged its team to Raimundo Beca, former ICANN Board Director. As a Board Director, he was appointed to be the liaison of the Board with the GNSO Council for the implementations recommended by the BCG WG; and, in 2008 and 2009, he was appointed to seat at the Board Structural Improvements Committee, which precisely oversees the ICANN Reviews.

Since 2008 ITEMS has been following the debates related to the new gTLDs Policy that was expected at that time, to be adopted in 2009. We have had many contacts with Local Authorities and Companies that have asked questions about this new opportunity. We have been officially appointed by the Burgundy Region Council in order to prepare their application.

In 2011, ITEMS has been appointed for a consulting assistance by another International Company that operates existing national and generic extensions. This contract is covered by an NDA.

At the end:

- ITEMS has a perfect knowledge of the New gTLD process and the ICANN Application Guide Book,
- ITEMS knows personally many people in the ICANN system and more generally of the ICANN

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<sup>6</sup> Registry is the official name of the organization (public, private, association ...) that operates dotCountry or .com, .org ...

<sup>7</sup> ITEMS’ review of the ccNSO is published on the ICANN website at: <http://ccnso.icann.org/node/9331>. The results of the international survey can be viewed at: <http://www.icann.org/en/reviews/ccnso/items-ccnso-organisational-review-addendum-15jun10-en.pdf>



community.

ITEMS International has decided to setup an international team that would be able to assist any public or private organisations:

- to decide if they are going to apply or not,
- to fulfil their application,
- to select an operator or to work with an operator they would have choose,
- to follow up the whole process,
- to develop a network of supporters when needed,
- to carry out any initiative that could be helpful in order to succeed to get a final positive decision from ICANN.

5

## 5- Composition of the gTLD Team:

The team is composed by:

- consultants who have an expertise in New gTLD issues,
- consultants who have a particular expertise in setting up complex applications that has to comply to precise requirements including strategic, technical, governance and financial issues.

ITEMS Core team:

1. Herve Rannou, ITEMS CEO, Project Manager in all projects carried out with AFNIC and ICANN,
2. Maurice Ronai, Consultant Manager, expert in Internet Governance,
3. Tom Mackenzie, Senior Consultant, specialized in ICANN matters,
4. Geraldine Bal, Junior Consultant,
5. Philippe Batreau, Senior Consultant, Former ISOC France Board member,
6. Franck Hamel, Consultant Manager in Paris.

ITEMS external consultants:

7. Raimundo Beca, Former ICANN Board Director
8. Susane Siebald, Senior Consultant, expert in Assistance for European Project,
9. Mathieu Crédou, Consultant Manager, specialist of gTLDs matters,
10. Olivier Crépin-Leblond, Senior Consultant (Nice, London), Chair of ALAC (ICANN Constituency),

Belgium:

11. Hugo Kershot, Consultant Manager, expert in leading International Consortium in European Project,
12. Rudi Vansnick, President ISOC Belgium, Board Member EURALO-ALAC,

UK: 21C Consultancy:

13. Dr. Julia Glidden, Managing Director 21c,
14. Susie Ruston, Partner and Consultant 21c,



Germany: White Balance

15. Claire Klindt

Italy:

16. Stefano Trumpy, Chairman of ISOC Italy

Italy:

17. Virgiliu Stan, Managing Partner, ITEMS representative, Expert in Internet strategy and governance for local authorities,

North-Africa:

18. Karim Cherfaoui, ITEMS, Algiers

6

In addition, we setup a team in charge of Strategic relationships: **gTLDTeam Support**

19. Jean-François Soupizet, Senior consultant, former Head of Unit European Commission,
20. Sylviane Toporkoff, ITEMS founding partner, Global Forum President,
21. Sebastien Lévy, ITEMS partner, Global Forum Vice-President,
22. Giorgio Prister, Consultant Manager, Rome,
23. Alan Shark, Consultant Manager, USA,
24. Sebastien Le Bail, Business Development.

## 6- Partnership with an International Law Firm

ITEMS has made an agreement with an International Law Firm: Gide Loyrette Nouel. "With 19 offices throughout Europe, Asia, Africa and North America, and 650 lawyers, Gide Loyrette Nouel is a leading international law firm, founded in Paris in 1920."

The New gTLD issue can be lead by different structures within an organisation: Marketing, Communication, Legal.

The Legal issue is probably the major one in the process due to:

- the protection of trademarks and brands,
- the governance issue.

For this reason, an agreement with a legal partner who has a critical position in Trademarks Portfolio is strategic for gTLDTeam.

On the other way, we bring to the legal partner, an expertise he does not have in gTLDs and ICANN matters.

## 7- Rules

ITEMS is the gTLD Team leader.

However, outside of the ITEMS Core Team, each of the partners can sign a contract on its own.

Each contact has its specific conditions and everything related to:

- the composition of the team,
- the budget,



- the fees allowed to one or another partner,  
is defined contract by contract.

There are only two obligations between partners:

- exclusivity,
- regular information and synchronisation of meetings.

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## APPENDIX 1: Missions proposed by gTLD-Team

### A – Pre strategic study

The decision to create the “.xyz” TLD will have many ramifications. Before making the final decision to apply it will be in the company’s interest to conduct a thorough cost-benefit analysis beforehand.

In the perspective of the final decision, any organization has to carry out a limited strategic analysis comprising:

- an analysis of benefits and constraints,
- an analysis of legal impacts,
- a understanding of technical constraints including specific background and needs,
- a generic Budget,
- a presentation of gTLD governance.

Some organisations can decide to take the final decision after the pre-strategic study. In that case, they could prefer to choose an operator that would take the process in charge, including the payment of fees when the perspective of benefits are very positive (ie: A registry that would have to manage .london or .paris can setup a very positive Business Plan when it would be more difficult in the case of a middle size city).

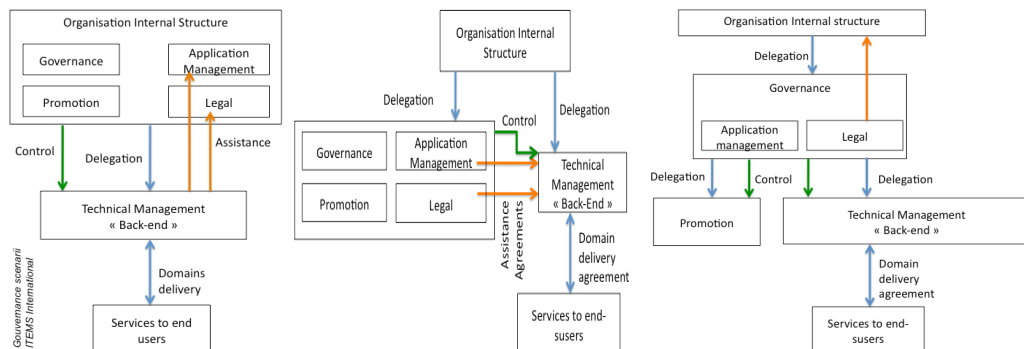
A pre-strategic study can carried out in 10 to 30 days workload.

### B- Strategic study

The strategic study aims to detail all issues presented in the pre-strategic study depending of the requirements expressed by the organisation in order to take the final decision.

In this case, the analysis can cover:

- an analysis of all impacts including strategic, marketing, communication, IT,
- an overhaul legal analysis (contract with ICANN, registry/registrars verticalisation understanding, protection ...)
- a understanding of technical constraints including specific background and needs,
- a Business Plan, that depends of the domain policy choose: Are the domains going to be sold? To who? In what conditions?
- a proposal of internal governance based on scenario analysis.



### C- Assistance to deal with a gTLD operator (Back-end registry and registrars)

This “back-end” service is critical and there are a number of organisations that provide this kind of service around the world. Most are national and are focused on their national extension (JRS / Japan

Registry Services in Japan, Nominet in UK, AFNIC in France...). Others are private companies: Verisign operates the .com and .net ..., Afiliis operates the .info, .org, .mobi, .asia ..., Neustar for .us, .biz ... .

Many national registries and a lot of private players are going to propose their services in order to operate new gTLDs extensions.

According to the ICANN policy, the current Registries are not allowed to sell their domains to the users. i.e.: When Verisign operates the .com, it is not allowed to sell any “domain-x.com”. Only companies’ names registrars are allowed to operate.

In the framework of the new gTLD policy, it would be allowed for one player to operate as a Registry and a Registrar. This option is named “vertical integration”.

The vertical integration should be preferred in the case of a “dotCorp”. In the case of cities and regions, both scenarios should be used but in many case, vertical integration.

The choice of the operator needs to take all options into account depending of the requirements of each initiative.

It requests to have a clear understanding of the business plan in order to finalize the financial conditions of the agreement. These conditions will have to be probably adapted to the number of domains. That supposes to get a final agreement that should not be under the pressure of time. Because all technical information needs to be included, that supposes that the agreement should be signed before the end of January 2012. By consequence, the tender towards should be sent in November with an answer expected in December.

We have to take into account that all major potential operators are going to be solicited in the same time. That could add a serious difficulty and change the balance conditions of the deal between clients and providers.

**D – Assistance to fulfil the application**

The list of the questions shows up how it is important:

- to be able to clearly express the strategy of the organisation,
- to get relevant technical information provided by the operator,
- to give all significant financial information.

**E- Follow up of the whole process,**

Beyond the application, that would be necessary to manage operations like:

- to control the deposit of the application,
- to answer to any request from ICANN.

#	QUESTIONS
<b>USER REQUIREMENTS</b>	
1	Full legal name of Applicant
2	Principal business address
3	Phone number of Applicant
4	Fax number of Applicant
5	Website or URL, if applicable
6	Primary Contact: Name, Title, Address, Phone, Fax, Email
7	Secondary Contact: Name, Title, Address, Phone, Fax, Email
8	Proof of legal establishment
9	Trading, subsidiary, or joint venture information
10	Business ID, Tax ID, VAT registration number, or equivalent of Applicant
11	Applicant background: previous convictions, cybersquatting activities
12A	Deposit payment confirmation
<b>APPLICATION AND STRING INFORMATION</b>	
12B	Payment confirmation for remaining evaluation fee amount
13	Applied-for gTLD string
14	IDN string information, if applicable
15	IDN tables, if applicable
16	Mitigation of IDN operational or rendering problems, if applicable
17	Representation of string in International Phonetic Alphabet (Optional)
18	Mission/purpose of the TLD
19	Is the application for a community-based TLD?
20	If community based, describe elements of community and proposed policies
21	Is the application for a geographic name? If geographic, documents of support required
22	Measures for protection of geographic names at second level
23	Registry Services: name and full description of all registry services to be provided
<b>TECHNICAL AND OPERATIONAL QUESTIONS - EXTERNAL</b>	
24	Shared registration system (SRS) performance
25	EPP
26	Whois
27	Registration life cycle
28	Abuse prevention & mitigation
29	Rights protection mechanisms
30	Security
<b>TECHNICAL AND OPERATIONAL QUESTIONS - INTERNAL</b>	
31	Security
32	Technical overview of proposed registry
33	Architecture
34	Database capabilities
35	Geographic diversity
36	IPv6 reachability
37	Data backup policies and procedures
38	Escrow
39	Registry continuity
40	Registry transition
41	Failover testing
42	Monitoring and fault escalation processes
43	DNSSEC
44	IDNs (Optional)
<b>FINANCIAL QUESTIONS</b>	
45	Financial statements
46	Projections template: costs and funding
47	Costs: setup and operating
48	Funding and revenue
49	Contingency planning: barriers, funds, volumes
50	Continuity: financial instrument



***F- Development of a network of supporters when needed***

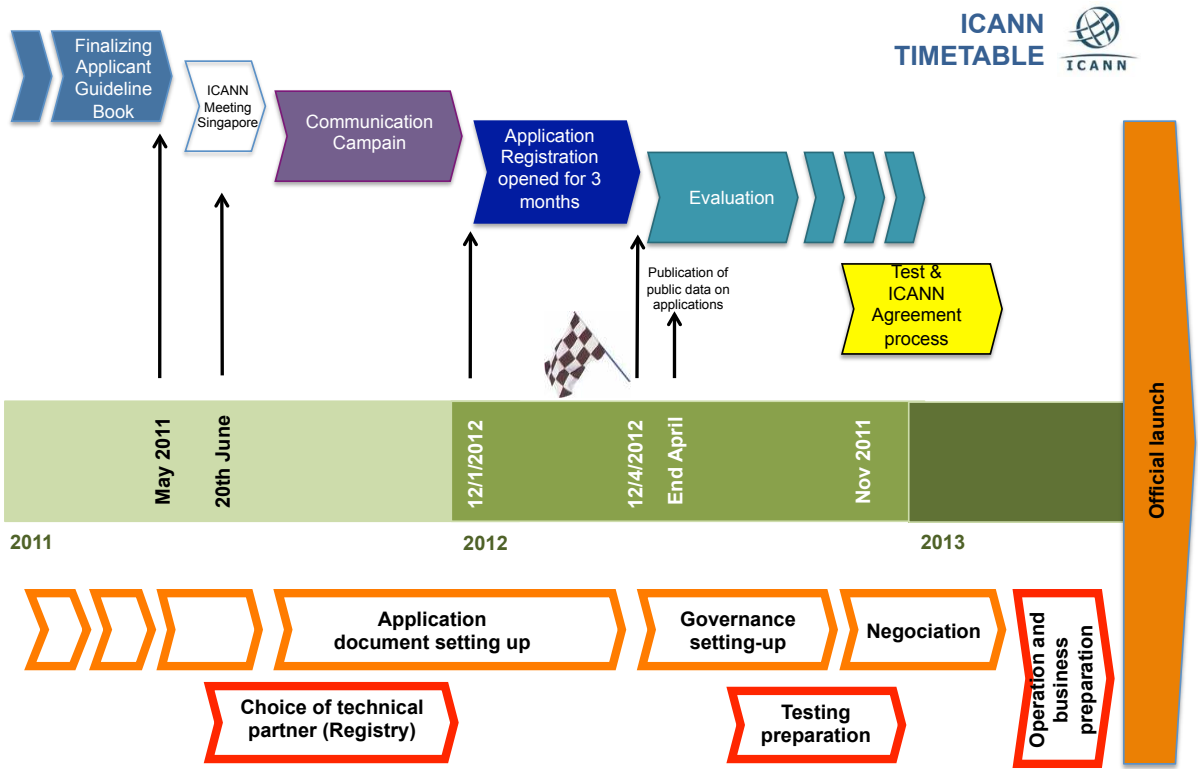
In the case of cities or communities, that would be necessary to setup a community that will support the project.

Members of the community could be requested in order to participate to the project funding.

***G- Other supporting initiatives***

To carry out any initiative that could be helpful in order to succeed to get a final positive decision from ICANN.

**APPENDIX 2: TIME SCHEDULE**



**APPLICANT  
TIMETABLE**

AGB: Applicant Guideline Book  
ITEMS International