in contention with A. If A wins the contention, B is eliminated but C can go on since C is not in direct contention with the winner and both strings can coexist in the DNS without risk for confusion.

4.2   *Comparative Evaluation*

Comparative evaluation will only occur if a community-based applicant has selected this option in its application. Comparative evaluation can begin once all applicants in the contention set have completed all previous stages of the process.

The comparative evaluation is an independent analysis. Scores received in the applicant reviews are not carried forward to the comparative evaluation. Each applicant participating in the comparative evaluation begins with a score of zero.

4.2.1   *Eligibility for Comparative Evaluation*

As described in subsection 1.2.2 of Module 1, all applicants are required to identify whether their application type is:

- Community-based; or

- Open.

Only community-based applicants may elect a comparative evaluation. If there is contention for strings, a claim to support a community by one party will be a reason to award priority to that application. If one community-based applicant within a contention set makes this election, all other community-based applicants in the same contention set will be part of the comparative evaluation.

Applicants designating their applications as community-based will also be asked to respond to a set of questions in the application form that would provide relevant information if a comparative evaluation occurs.

Before the comparative evaluation begins, all community-based applicants in the contention set may be asked to provide additional information relevant to the comparative evaluation. Additionally, the community-based applicants will be required to submit a deposit to cover the cost of the comparative evaluation. The deposit will be refunded to applicants that score 14 or higher.

4.2.2   Comparative Evaluation Procedure

Comparative evaluations for each contention set will be performed by a comparative evaluation provider appointed by ICANN to review applications for contending gTLD strings. The provider's charter is to determine whether one of the community-based applications clearly and demonstrably have the support of the specified community. Open applicants within the contention set, if any, will not participate in the comparative evaluation.

If a single community-based applicant is found to meet the criteria (see subsection 4.2.3 below) for succeeding in the comparative evaluation, that applicant will be declared to prevail in the comparative evaluation and may proceed with its application. If more than one community-based applicant is found to meet the criteria, this will be resolved as follows:

- In the case where the applicants are in <u>indirect contention</u> with one another (see subsection 4.1.1), they will both be allowed to proceed to the next stage.

- In the case where the applicants are in <u>direct contention</u> with one another and have named the same community in their applications, one applicant will be granted priority if it has clearly demonstrated that it represents a majority and significantly larger share of the community. If no applicant has made such a demonstration, the applicants will proceed to an auction.

- In the case where the applicants are in <u>direct contention</u> with one another and have named different communities in their applications, the contention will be resolved through an auction among these applicants.

If none of the community-based applicants are found to meet the criteria, then all of the parties in the contention set (both open and community-based applicants) will proceed to an auction.

4.2.3   Comparative Evaluation Criteria

A panel appointed by the comparative evaluation provider will review and score the one or more community-

based applicants who elected comparative evaluation against four criteria as follows:

Criteria #1: Nexus between Proposed String and Community

		Score		
4	**3**	**2**	**1**	**0**
String is strongly associated with the community or community institution and has no other significant associations.	String is clearly associated with the community but also has other associations.	String is relevant to the community but also has other well-known associations.	The string, although relevant to the community, primarily has wider associations.	The nexus between string and community does not fulfill the requirement for scoring 1.

In detail, the nexus between string and community will be given:

- a score from 3, for strong association with the community, to 0, for insufficient association with the community.

- a score of 1 for absence of other associations to the string, i.e., the string is unique to this community, and a score of 0 if the string is known to also be a label for other communities.

Criteria #2: Dedicated Registration Policies

		Score		
4	**3**	**2**	**1**	**0**
Registration eligibility is strictly limited to members of the pre-established community identified in the application. Registration policies also include name selection and other requirements consistent with	Registration eligibility is predominantly available to members of the pre-established community identified in the application, and also permits people or groups formally associated with the community to register.	Registration eligibility is predominantly available to members of the pre-established community identified in the application, and also permits people or groups informally associated	Registration eligibility is encouraged or facilitated for members of the pre-established community identified in the application, and also permits others to register. Policies include only	The registration policies do not fulfill the requirement for scoring 1

Score				
4	**3**	**2**	**1**	**0**
the articulated scope and community-based nature of the TLD. Proposed policies include specific enforcement measures including investigation practices, penalties, takedown procedures and appeal mechanisms.	Policies include most elements for a high score but one element is missing.	with the community to register. Policies include some elements for the high score but more than one element is missing.	one of the elements for high score.	

In detail, the registration policies will be given:

- A score from 2 for eligibility restricted to community members, to 0 for a largely unrestricted approach to eligibility.

- A score of 1 for clear rules concerning name selection and other requirements for registered names of relevance to the community addressed, and a score of 0 for absence of rules concerning name selection and other requirements for registered names, or rules that are insufficient or lack relevance.

- A score of 1 for satisfactory enforcement measures and a score of 0 for absence of enforcement measures or measures that are insufficient.

Criteria #3: Community Establishment

Score

4	3	2	1	0
Clearly identified, organized, and pre-established community of considerable size and longevity.	The community addressed fulfills all but one of the requirements for a high score.	The community addressed fulfills more than one of the requirements for a high s core, but fails on two or more requirements.	The community addressed fulfills only one of the requirements for a high score.	The community addressed does not fulfill any of the requirements for a high score.

In detail, the community establishment will be given:

- a score from 2, for a clearly identified, organized, and pre-established community, to 0 for a community lacking clear identification, organization, and establishment history.

- a score from 2 for a community of considerable size and longevity, to 0 for a community of very limited size and longevity.

Criteria #4: Community Endorsement

Score

4	3	2	1	0
Application from, or endorsement by, a recognized community institution, or application endorsed by member organizations.	Endorsement by most groups with apparent relevance, but unclear if the whole community is supportive.	Endorsement by groups with apparent relevance, but also some opposition from groups with apparent relevance.	Assorted endorsements from groups of unknown relevance, but also clear opposition from groups with apparent relevance.	Limited endorsement by groups of unknown relevance, Strong opposition from groups with apparent relevance.

In detail, the community endorsement will be given:

- a score from 2 for clear and documented support, to 0 for no or limited endorsement of uncertain relevance.

- a score of 2 for no opposition of relevance, to 0 for strong and relevant opposition.

Scoring – An applicant must score at least 14 points to be declared a winner in a comparative evaluation. If no applicant scores 14 or more, there is no clear winner. If only one applicant scores 14 or more, that applicant will be declared the winner.

If more than one applicant scores 14 or more, all will be declared winners and the contention will be resolved according to the procedure described in subsection 4.2.2.

Following the comparative evaluation, ICANN will review the results and reconfigure the contention set as needed. The same procedure will occur for remaining contention sets involving any community-based application that has elected comparative evaluation. If no community-based applicant that has elected comparative evaluation is left in the contention set, any applications remaining in contention will proceed to an auction. Applications with no remaining contention will proceed toward delegation.

4.3   *Auction: Mechanism of Last Resort*[1]

It is expected that most cases of contention will be resolved by the two-phased comparative evaluation, or agreement of the parties. Auction is a tie-breaker method for resolving string contention among the applicants within a contention set, if the contention has not been resolved by other means.

In practice, ICANN expects that most contention cases will be resolved through other means before reaching the auction stage. There is a possibility that significant funding will accrue to ICANN as a result of one or more auctions. [2]

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[1] This information is included to provide implementation details for public comment.

[2] The purpose of an auction is to resolve contention in a clear, objective manner. Proceeds from auctions will be reserved and earmarked until the uses of the proceeds are determined. It is planned that costs of the new gTLD program will offset by fees, so any funds coming from a last resort contention resolution mechanism such as auctions would result (after paying for the auction process) in additional funding. Therefore, consideration of a last resort contention mechanism should include the uses of funds. Funds must be earmarked separately and used in a manner that supports directly ICANN's Mission and Core Values and also maintains its not for profit status.

Possible uses include formation of a foundation with a clear mission and a transparent way to allocate funds to projects that are of interest to the greater Internet community, such as grants to support new gTLD applications or registry operators from communities in subsequent gTLD rounds, the creation of an ICANN-administered/community-based fund for specific projects for the benefit of the Internet community, the creation of a registry continuity fund for the protection of registrants (ensuring that funds would be in place to support the operation of a gTLD registry until a