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ICANN Board Votes to Enhance New gTLD Competition

New gTLD Registrars and Registries will Compete for the Benefit of Consumers

ICANN's Board of Directors has voted to allow new generic top-level domain (gTLD) registries to own registrars, while opting not to create new rules prohibiting registrars from applying for or operating new gTLD registries.

The Board's action follows more than two years of ICANN community discussions, which has not resulted in consensus. In making its decision, the Board carefully considered expert economic advice, community comments, and numerous proposed approaches to registry-registrar cross-ownership.

"In the absence of existing policy or new bottom-up policy recommendations, the Board saw no rationale for placing restrictions on cross-ownership;" said Peter Dengate Thrush, Chairman of the Board. "Any possible abuses can be better addressed by properly targeted mechanisms. Co-ownership rules are not an optimal technique in this area."

Under the Board resolution, additional enforcement mechanisms have been added. New gTLD registry agreements are to include the following.

- Code of Conduct prohibiting any misuse of data or other abusive conduct arising out of registry-registrar cross-ownership.
- Robust auditing requirements.
- Graduated sanctions up to and including contractual termination and punitive damages.
- ICANN's right to refer competition issues to appropriate government competition authorities.

Background: The cross-ownership provisions have varied over time and no formal "policy" on this topic has ever been recommended or adopted by ICANN. (For example, each of the seven new gTLDs delegated by ICANN in the 2000-2001 proof-of-concept introduced by ICANN in 2000 have featured some degree of registry-registrar cross-operation or cross-ownership.)

The ICANN community has been discussing whether to continue, expand or remove the restrictions in current registry agreements that limit the existing registries from owning more than 15% of a registrar. Some have urged the creation of new rules that would for the first time prohibit registrars from applying for or operating new gTLDs.

The ICANN Board had previously attempted to spur a consensus view, asking ICANN's Generic Names Supporting Organization (GNSO) to resolve the registry-registrar cross-ownership question. In May 2010, the ICANN Board encouraged the GNSO to develop a consensus-based policy on this issue, but indicated that the Board would review the issue if no consensus position was reached. The GNSO recently reported that it has been unable to reach consensus.

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To read the resolutions passed by ICANN Board, go here: <http://www.icann.org/en/minutes/resolutions-05nov10-en.htm>.

To learn more about gTLDs, go here: <http://www.icann.org/en/topics/new-gtld-program.htm>.

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About ICANN: *ICANN's mission is to ensure a stable, secure and unified global Internet. To reach another person on the Internet you have to type an address into your computer - a name or a number. That address has to be unique so computers know where to find each other. ICANN coordinates these unique identifiers across the world. Without that coordination we wouldn't have one global Internet. ICANN was formed in 1998. It is a not-for-profit public-benefit corporation with participants from all over the world dedicated to keeping the Internet secure, stable and interoperable. It promotes competition and develops policy on the Internet's unique identifiers. ICANN doesn't control content on the Internet. It cannot stop spam and it doesn't deal with access to the Internet. But through its coordination role of the Internet's naming system, it does have an important impact on the expansion and evolution of the Internet. For more information please visit: www.icann.org.*