

**I C A N N**

**COMMUNITY FORUM**

**58**

**COPENHAGEN**

11-16 March 2017





**Competition,  
Consumer Trust and  
Consumer Choice  
(CCTRT) Review**

# CCTRT Effort

Evaluate how New gTLD Program has promoted Competition, Consumer Trust and Consumer Choice

Evaluate Effectiveness of Application and Evaluation Processes

Evaluate Effectiveness of Safeguards

## CCT Goals

- Perform data driven assessment of the New gTLD Program
- Inform policy related to the entry of new gTLDs



# DRAFT REPORT

- **Initial Conclusions**
  - Improvement in Competition, Consumer Choice and Adoption of Safeguards
  - Data collection needed to identify any significant negative consequence
- **Save the date**
  - Webinar for clarifying questions & input (Date to be confirmed)
- **Help us shape our final report through the Public Comment Period**
  - **Close date:** 27 April 2016
  - **Link:** <https://www.icann.org/public-comments/cct-rt-draft-report-2017-03-07-en>
  - **Email Address:** [comments-cct-rt-draft-report-07mar17@icann.org](mailto:comments-cct-rt-draft-report-07mar17@icann.org)

# Market share & findings

## Section: Introduction to the Competition and Consumer Choice Analysis

### Attempt to define the relevant markets in which participants in the DNS operate

- ❖ Understanding of the extent to which new TLDs serve as substitutes for the legacy domains, substitutions among new TLDs, and the geographic dimension of the market in which TLDs operate
- ❖ Analysis using a number of alternative market definitions

Conclusions: Not enough data to define markets definitively for the purpose of analyzing competition

Although measured concentration among registry operators remains high, new gTLD entry has reduced overall concentration.

# New gTLD Penetration (as of March 2016)

Marketplace	% of New gTLD Registrations Relative to Marketplace Registrations
Legacy TLDs and new gTLDs	9.0%
Legacy TLDs, new gTLDs, and all ccTLDs	5.0%
Legacy TLDs, new gTLDs, and open ccTLDs	7.4%
New gTLDs, and increase in Legacy TLD registrations since the beginning of the new gTLD Program	50.0%
New gTLDs, and increase in Legacy TLDs and all ccTLDs since the beginning of the new gTLD Program	32.1%
New gTLDs, and increase in Legacy TLDs and “open” ccTLDs since the beginning of the new gTLD Program	37.8%

# Recommendations of interest to ccNSO

## Section: Introduction to the Competition and Consumer Choice Analysis

**Recommendation:** Collection TLD sales at a country by country level

### **Rationale/Related findings:**

The lack of country level data will continue to frustrate future CCT review teams efforts to analyze competition between registries and TLDs in the domain marketplace. In particular, lack of country specific data frustrates efforts to understand the competition between gTLDs and ccTLDs.

### **To:**

ICANN Organization

### **Prerequisite / Priority Level :**

Low

### **Consensus within team:**

Yes

# Recommendations of interest to ccNSO

## Section: Introduction to the Competition and Consumer Choice Analysis

**Recommendation:** Create, support and/or partner with mechanisms and entities involved with the collection of TLD sales data at a country by country level

### **Rationale/Related findings:**

The lack of country level data will continue to frustrate future CCT review teams' efforts to analyze competition between registries and TLDs in the domain marketplace. ccTLD data which is useful in understanding the overall TLD market place is particularly hard to come by.

### **To:**

ICANN Organization

### **Prerequisite / Priority Level :**

Prerequisite, except for the periodic studies

### **Consensus within team:**

Yes



# Recommendations of interest to ccNSO

## Section: **Application and Evaluation Process of the new gTLD Program**

**Recommendation:** Set objectives for applications from the Global South

**Rationale/Related findings:**

Applications were few but there was no concerted effort to encourage them.

**To:**

New gTLD Subsequent Procedures Working Group

**Prerequisite or Priority Level:**

Prerequisite. Objectives must be set.

**Consensus within team:**

Yes

# Recommendations of interest to ccNSO

## Section: **Application and Evaluation Process of the new gTLD Program**

**Recommendation:** Expand and improve outreach into the Global South

### **Rationale/Related findings:**

Low understanding of new gTLD program in the Global South

### **To:**

ICANN Organization

### **Prerequisite or Priority Level:**

Prerequisite

### **Consensus within team:**

Yes

# Recommendations of interest to ccNSO

## Section: **Application and Evaluation Process of the new gTLD Program**

**Recommendation:** Coordinate the pro bono assistance program

### **Rationale/Related findings:**

Despite the registration of both volunteers and applicants, there is no evidence of interaction.

### **To:**

ICANN Organization

### **Prerequisite / Priority Level:**

Prerequisite

### **Consensus within team:**

Yes

# Recommendations of interest to ccNSO

## Section: **Application and Evaluation Process of the new gTLD Program**

**Recommendation:** Revisit the Applicant Financial Support Program

**Rationale/Related findings:**

Only three applicants for support

**To:**

New gTLD Subsequent Procedures Working Group

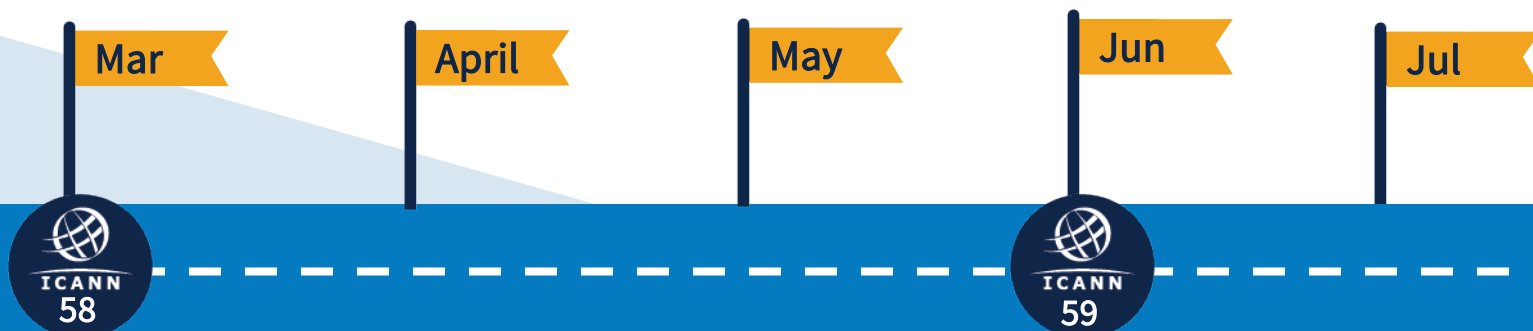
**Prerequisite / Priority Level:**

Prerequisite

**Consensus within team:**

Yes

# Next Steps



- Draft Report Published for Public Comment
- DNS Abuse Preliminary Report
- INTA Survey
- Parking Data

- Public comment period close date: 27 April 2016
- Public comment period - DNS Abuse Draft Report

- Face-to-Face Meeting

- DNS abuse study Final Report
- Face-to-Face Meeting

- Final Report to Board

2017



A world map where the continents are defined by a complex network of white nodes and connecting lines, set against a dark blue background. The nodes vary in size and are densely packed in some areas, creating a digital or network-like appearance of the globe.

**Questions?**

# Share your views



Send us a comment at [comments-cct-rt-draft-report-07mar17@icann.org](mailto:comments-cct-rt-draft-report-07mar17@icann.org)



Schedule a conference call together



Follow our wiki at <http://cct.wiki> for more information!



A world map where the continents are defined by a network of white dots connected by thin white lines. The background is a solid orange color. The text "Thank you" is written in white, bold, sans-serif font on the left side of the map.

**Thank you**

Interested in our work?  
Follow our wiki at <http://cct.wiki> for more!

A world map where the continents are defined by a complex network of white nodes and connecting lines. The nodes vary in size, and the lines are thin and light blue. The background is a solid dark blue color.

# Appendices



# DRAFT RECOMMENDATIONS SNAPSHOT

TOPIC	#	TIMELINE				TO ICANN ORG	TO GNSO PDP WGs			TO NEXT CCT	TO GAC
		P	H	M	L		PDP WG	SubP	RPM		
Data Analysis	1 (0-1)	0	1	0	0	1	0	0	0	0	0
Competition	7 (2-8)	2	1	1	3	7	0	0	0	0	0
Consumer Choice	4 (9-12)	2	0	1	1	3	0	1	1	1	0
Consumer Trust	4 (13-16)	3	0	0	1	3	0	1	0	1	0
Safeguards	26 (17-42)	4	14	6	2	22	4	2	2	7	0
Application and Evaluation Process	8 (42-50)	7	0	0	1	3	0	6	0	0	1
<b>TOTAL</b>	<b>50</b>	<b>18</b>	<b>16</b>	<b>8</b>	<b>8</b>	<b>39</b>	<b>4</b>	<b>10</b>	<b>3</b>	<b>9</b>	<b>1</b>



# DATA COLLECTION DRAFT RECS.

Rec #	
1	<p>Formalize &amp; promote ongoing data collection-</p> <ul style="list-style-type: none"><li>• Initiative to facilitate quantitative analysis of market &amp; policy implementation<ul style="list-style-type: none"><li>•Dedicated Data Scientist</li></ul></li></ul>

# COMPETITION DRAFT RECS.

Rec #	
<b>2</b>	Regularly collect wholesale pricing for legal gTLD (legacy and new gTLD) registries (confidentially)
<b>3</b>	Regularly transactional pricing for gTLD marketplace from registries (confidentially)
<b>4</b>	Collect retail pricing for marketplace & develop capability to analyse data
<b>5</b>	Collect parking data, track parking rates at a TLD & identify trends
<b>6</b>	Collect parking data - Engage with secondary market community market
<b>7</b>	Collect TLD sales at a country level
<b>8</b>	Create/support/partner with entities that collect TLD sales data at a country level Enhance cooperation (standardization of research, methodology), to obtain comparable data

# CONSUMER CHOICE DRAFT RECS.

Rec #	
<b>9</b>	Conduct periodic survey of registrants - collect registrant trends
<b>10</b>	Consider if defensive registrations can be reduced for brands registering a large number of domains
<b>11</b>	Consumer/end-user/ registrant surveys to explore benefits of expanded number, availability & specificity of new gTLDs, such as: <ul style="list-style-type: none"><li>• Contributions to choice from geo TLDs, specific sector TLDs and IDN TLDs</li><li>• Confusion</li><li>• Geographic distribution of registrants/availability of registrar services</li></ul>
<b>12</b>	More strictly regulate collection of personal data by registries

# CONSUMER TRUST DRAFT RECS.

Rec #	
<b>13</b>	Conduct study on: <ul style="list-style-type: none"><li>• Which new gTLDs have been visited most</li><li>• Reasons users visit to certain new gTLDs</li><li>• What factors matter</li><li>• How users behaviors explain howthey trust new gTLDs</li></ul>
<b>14</b>	Incentivize registries to meet user expectations regarding: <ul style="list-style-type: none"><li>• Relationship of content of a gTLD to its name</li><li>• Registration restrictions based upon implied trust</li><li>• Safety and security of users' information</li></ul>
<b>15</b>	Repeat portions of global surveys to look for increase in familiarity with at new gTLDs, visitation & perceived trustworthiness

# CONSUMER TRUST DRAFT RECS.

Rec #	
<b>16</b>	<p>Commission Study on impact of restrictions on who can buy new gTLD domains:</p> <ul style="list-style-type: none"><li>• Compare trust levels with varying degrees of registration restrictions</li><li>• Correlations between DNS abuse and presence/absence of reg. restrictions</li><li>• Costs and benefits of registration restrictions</li><li>• How to enforce reg. restrictions</li></ul>



# SAFEGUARDS DRAFT RECS.

Rec #	
<b>17</b>	Assess whether: <ul style="list-style-type: none"><li>• Significant % of WHOIS complaints relate to accuracy of identity of registrant</li><li>• Difference in behavior between new/legacy gTLDs</li></ul>
<b>18</b>	Accuracy data should be considered by upcoming WHOIS RT
<b>19</b>	Repeat data collection comparing abuse rates in domains under new vs. legacy Registry/Registrar Agreements
<b>20</b>	Next CCTRT to review proposed Registry Operator Framework and assess if clear/effective to mitigate
<b>21</b>	Assess whether abuse reporting mechanisms led to more focused efforts to combat abuse
<b>22</b>	Assess if more efforts are needed to publicize contact points where abuse/illegal behavior complaints should go

# SAFEGUARDS DRAFT RECS.

Rec #	
<b>23</b>	<p>Provide detailed information on the subject matter of Compliance complaints:</p> <ul style="list-style-type: none"><li>• type of law violation</li><li>• relates to protection of sensitive information?</li></ul>
<b>24</b>	<p>Initiate stakeholder consultations on what constitutes reasonable and appropriate security measures commensurate with offering of services</p>
<b>25-30</b>	<p>Study aspects of highly regulated new gTLDs:</p> <ul style="list-style-type: none"><li>• Steps registry operators take to establish relationships with relevant gov/industry</li><li>• # of complaints received by registrants from regulatory bodies and standard practices to respond</li><li>• Sample websites to see if contact information to file complaints is easy to find</li><li>• Enforcement of restrictions on necessary credentials by auditing registrars &amp; resellers</li><li>• # of complaints by seeking info from ICANN Contractual Compliance and registrars/resellers of highly regulated domains</li><li>• Compare rates of abuse among those highly regulated gTLDs that voluntarily agreed to verify/validate credentials vs, those that don't</li></ul>

# SAFEGUARDS DRAFT RECS.

Rec #	
<b>31</b>	Examine ICANN Compliance complaints for a registry operator's failure to comply w/ safeguards on: <ul style="list-style-type: none"><li>• inherent governmental functions</li><li>• cyberbullying</li></ul>
<b>32</b>	Survey on enforcement by registries of cyberbullying safeguards
<b>33</b>	Collect data on subjective/objective trustworthiness of new gTLDs with reg. restrictions on registration vs. those w/ few or none
<b>34</b>	Repeat/refine DNS Abuse Study to determine if the presence of additional reg. restrictions correlate to decreases in abuse in new gTLDs vs. new gTLDs w/o reg. restrictions, and as compared to legacies
<b>35</b>	Collect data on cost/benefits of implementing reg. restrictions, including impact on compliance costs, costs for registries, registrars & registrants
<b>36</b>	Seek public comment on impact of new gTLD reg. restrictions on competition, including whether restrictions create undue preferences

# SAFEGUARDS DRAFT RECS.

Rec #	
<b>37</b>	Improve accessibility of voluntary PICs by maintaining a publicly accessible database
<b>38</b>	Future gTLD applicants to state goals of each voluntary PIC
<b>39</b>	Require all voluntary PICs to be submitted during application process so that GAC has sufficient opportunity to meet deadlines for community/limited public interest objections
<b>40</b>	A full impact study on impact the impact of new gTLDs on the cost/effort required to protect trademarks and repeat regularly to see the evolution
<b>41</b>	Full review URS and consider how to interoperate with the UDRP
<b>42</b>	Fully review TMCH and its scope to provide data to make recommendations & allow an effective policy review

# APPLICATION & EVALUATION PROCESS DRAFT RECS.

Rec #	
<b>43</b>	Set objectives for applications from the global South, establish clear measurable goals, and define “Global South”
<b>44</b>	Expand and improve outreach into Global South
<b>45</b>	ICANN to coordinate the pro bono assistance program
<b>46</b>	Revisit Applicant Financial Support Program, and try to further reduce overall cost of application, including additional subsidies & dedicated support for underserved communities
<b>47</b>	GAC consensus advice to Board regarding gTLDs to be clearly enunciated, actionable & accompanied by a rationale. ICANN to provide template & Applicant Guidebook to clarify process & timelines
<b>48</b>	Review procedures & objectives for community-based applications. Reflect amendments revised AGB

# APPLICATION & EVALUATION PROCESS DRAFT RECS.

Rec #	
<b>49</b>	<p>Consider new policies to avoid potential for inconsistent results in string confusion objections. Consider:</p> <ul style="list-style-type: none"><li>• Determine through initial string similarity review process that singular/plural versions of the same gTLD string should not be delegated</li><li>• Avoid disparities in similar disputes by ensuring that all similar cases of plural/ singular strings are examined by same expert panelist</li><li>• Introduce a post dispute resolution panel review mechanism</li></ul>
<b>50</b>	<p>Review results of dispute resolutions on all objections prior to the next CCT review</p>