

I C A N N

COMMUNITY FORUM

58

COPENHAGEN

11-16 March 2017





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

CCTRT DRAFT REPORT

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

KEY FINDINGS

On balance, the expansion of the DNS marketplace:

- Has demonstrated increased Competition & Consumer Choice
- Is somewhat successful in mitigating its impact on Consumer Trust and Rights (particularly trademark) protection

Caveats:

- New gTLD Program should be regarded only as a “good start”
- A number of policy issues should be addressed before any further expansion of gTLDs
- New gTLDs are still quite new
- Incomplete data limited a more complete analysis

DRAFT RECOMMENDATIONS & TIMELINES

Category	Timeline	# (/50)
Prerequisite	Must be implemented prior to launch of subsequent procedures	18
High priority	Within 18 months of final report	16
Medium priority	Within 36 months of final report	8
Low priority	Prior to start of next CCT	8

DRAFT RECOMMENDATIONS SNAPSHOT

TOPIC	#
Data Analysis	1 (0-1)
Competition	7 (2-8)
Consumer Choice	4 (9-12)
Consumer Trust	4 (13-16)
Safeguards	26 (17-42)
Application and Evaluation Process	8 (42-50)
TOTAL	50

RESEARCH & KEY FINDINGS

Consumer Trust

- * Minimal impact observed
- * Positive links between factors such as familiarity, reputation and adoption of security measures
- * More information needed on why consumers trust new gTLDs

Safeguards

- * Improvements observed
- * Information related to impact on both the public and entities enforcing them needed
 - Collect data related to DNS abuse and provide more transparency in reporting the subject matter and ultimate outcome of complaints

CONSUMER TRUST

Methodology

1. Consumer End-Use Surveys
2. Registrant Surveys

Key Findings:

- A. Two primary factors relevant to trust of gTLDs:
 - 1) Familiarity and security
→ New gTLDs less trusted
- B. Correlation between registration restrictions and trust
- C. Trust in DNS overall hasn't diminished

CONSUMER TRUST - RECOMMENDATIONS

Study

Rec.13 Which new gTLDs most visited and why; and how users' behavior relates to trust

Rec.14 Create Incentives to encourage gTLD registries to meet user expectations re:

- Relationship of name to content
- Implied messages of trust conveyed by name
- Safety & security of sensitive information (incl. health and \$ info)

Rec.15 Enhance and Continue Studies

- Repeat selected parts of consumer end-user and registrant surveys (so these studies form a baseline)

DNS ABUSE

Mandate

Examine “malicious abuse issues” and “effectiveness of Safeguards put in place to mitigate issues involved in the expansion [of the top-level domain space]”

- Also serves as proxy for “trust”, *i.e.*, changes in abuse rate compared to changes in trust

Methodology

- Analyzed the implementation of the nine safeguards adopted for the new gTLD program
- Commissioned comprehensive DNS abuse study to produce descriptive statistics as **baseline measure** of abuse rates in new compared to legacy gTLDs to analyze the effect of new gTLDs on “malicious abuse issues” as well as safeguard effectiveness
 - The basic methodology of the study is to correlate historical zone and WHOIS data with historical data from abuse feeds (in progress, final report in June 2017)

DNS ABUSE

Findings (from Preliminary analysis)

- There appears to be widespread compliance with implementation of the new gTLD safeguards
- There is no comprehensive analysis of abuse in legacy gTLDs versus new gTLDs, but existing research by various entities using sample datasets indicates that more instances of DNS abuse occur in legacy gTLDs while new gTLDs have higher percentages of abuse per registrations

DNS ABUSE

Recommendations (from preliminary analysis)

Regularly repeat and refine DNS Abuse Study to determine whether the presence of additional safeguards correlates to a decrease in abuse in new gTLDs amongst various zones versus legacy gTLDs, which will inform ongoing policy discussions

SAFEGUARDS

1. Methodology

- A. Goals of safeguard
- B. How safeguard implemented/enforced
- C. Issues

2. Highlights

- A. WHOIS
- B. Sensitive, Regulated and Highly Regulated Strings

SAFEGUARDS - WHOIS

WHOIS

A. Goal: Enhance abuse prevention and mitigation efforts

B. Findings

- 1) largest category of complaints received re: registrars
- 2) WHOIS Accuracy Reporting System (ARS).
 - a) Originally 3 phases: syntax accuracy; operability accuracy; and identity validation.
 - b) To date: only syntax and operability accuracy

Recommendations:

- **Rec.17** ICANN Compliance to identify precise subject matter of WHOIS complaints (syntax; operability, identity, other?);
- **Rec.18** Consider whether to proceed with identity phase of ARS

SAFEGUARDS: SENSITIVE/REGULATED STRINGS

Sensitive, Regulated Strings

- A. **Goal:** mitigate risks associated with strings linked to “regulated or professional sectors”

- B. **Findings (Sensitive/Regulated):**
 - comply with all applicable laws (incl. privacy, data collection, consumer protection , fair lending, debt collection, organic farming, disclosure of data, and financial disclosures)

 - if handling sensitive information, (e.g., health or financial data) : “implement reasonable and appropriate security measures commensurate with the offering of those services, as defined by applicable law.”

SAFEGUARDS: SENSITIVE/REGULATED STRINGS

Rec. 23:

Include more detailed information on subject matter of complaints in ICANN publicly available compliance reports.

- More precise data on the subject matter of complaints
 - What type of law violation is being complained of
 - Whether complaints relate to the protection of sensitive health or financial information

SAFEGUARDS: HIGHLY REGULATED STRINGS

Goal

Mitigate higher levels of risks of abuse associated with strings in highly regulated industries (likely to invoke a higher level of trust to consumers)

Findings

Lack of clarity

- Whether and how contracted parties are complying with safeguards applicable to domains for highly regulated strings;
- Whether these safeguards have been effective in mitigating risks associated with domains in highly regulated markets

SAFEGUARDS: HIGHLY REGULATED STRINGS

Recommendations:

- **Rec.28:**
Assess whether restrictions regarding possessing necessary credentials are being enforced
 - audit registrars and resellers offering the highly regulated TLDs (e.g., can an individual or entity without the proper credentials buy a highly regulated domain?)
- **Rec.29:**
Determine volume and subject matter of complaints by seeking more detailed information from ICANN Contractual Compliance and registrars/resellers of highly regulated domains
- **Rec.30:**
Compare rates of abuse between highly regulated gTLDs that have voluntarily agreed to verify and validate credentials to highly regulated gTLDs that have not

PUBLIC INTEREST COMMITMENTS

Voluntary Public Interest Commitments

- New voluntary safeguard that new gTLD applicants could include as binding provisions in their registry agreements

Methodology

- Analyzed contents of voluntary PICs associated with highly regulated, regulated, and top 30 most popular new gTLDs

Most Important Findings

- Voluntary PICs vary greatly in topic area and substance, with some mirroring other obligations, others wholly new, and the intended purpose of each not always clear
- It is difficult to analyze voluntary PICs and measure their effectiveness
- At present, there is no mechanism in place to ensure that voluntary public interest commitments do not negatively impact the public interest prior to going into effect

PUBLIC INTEREST COMMITMENTS

Most Important Recommendations

Rec.37

ICANN should improve the accessibility of voluntary public interest commitments by maintaining a publicly accessible database of these commitments, as extracted from the registry agreements.

Rec. 38

Future gTLD applicants should state the goals of each of their voluntary PICs

Rec. 39

All voluntary PICs should be submitted during the application process such that there is sufficient opportunity for Governmental Advisory Committee (GAC) review and time to meet the deadlines for community and Limited Public Interest objections

RESEARCH & KEY FINDINGS – GLOBAL SOUTH

Applicant Survey (Nielsen)
New gTLDs and the Global South (AMGlobal)
Cohorts study (AMGlobal)

- Determine objectives
- More comprehensive program of conference participation
- Thought leader engagement
- Traditional media outreach
- Case studies and business models
- Outreach should begin significantly earlier
- Re-explore applicant assistance (financial/non-financial)

- Early warnings are useful and could possibly be introduced earlier
- Review procedures & objectives for community-based applications
- Greater consistency in dispute resolution proceedings
- Overall review of dispute resolution process needed, including potential prohibiting singular and plurals.

Next Steps

Mar



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

May

- Face-to-Face Meeting
- May 25: Public Comment Close Date

Jun



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

Jul

- 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



Schedule a conference call together



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

The background of the slide is a solid orange color. Overlaid on this is a stylized world map. The map is constructed from a network of small white circular nodes connected by thin white lines. The nodes are more densely packed in the landmasses, creating a mesh-like structure that outlines the continents. The lines connecting the nodes are thin and light-colored, blending slightly with the orange background.

Thank you

The background of the slide is a dark blue color. Overlaid on this is a stylized world map. The map is formed by a complex network of white lines connecting numerous small white circular nodes. The nodes are distributed across the continents, with a higher density in the North Atlantic and Europe. The overall effect is that of a global network or data flow.

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
TOTAL	50	18	16	8	8	39	4	10	3	9	1

DATA COLLECTION DRAFT RECS.

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

COMPETITION DRAFT RECS.

Rec #	
2	Regularly collect wholesale pricing for legal gTLD (legacy and new gTLD) registries (confidentially)
3	Regularly transactional pricing for gTLD marketplace from registries (confidentially)
4	Collect retail pricing for marketplace & develop capability to analyse data
5	Collect parking data, track parking rates at a TLD & identify trends
6	Collect parking data - Engage with secondary market community market
7	Collect TLD sales at a country level
8	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 #	
9	Conduct periodic survey of registrants - collect registrant trends
10	Consider if defensive registrations can be reduced for brands registering a large number of domains
11	Consumer/end-user/ registrant surveys to explore benefits of expanded number, availability & specificity of new gTLDs, such as: <ul style="list-style-type: none">• Contributions to choice from geo TLDs, specific sector TLDs and IDN TLDs• Confusion• Geographic distribution of registrants/availability of registrar services
12	More strictly regulate collection of personal data by registries

CONSUMER TRUST DRAFT RECS.

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

CONSUMER TRUST DRAFT RECS.

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

SAFEGUARDS DRAFT RECS.

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

SAFEGUARDS DRAFT RECS.

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

SAFEGUARDS DRAFT RECS.

Rec #	
31	Examine ICANN Compliance complaints for a registry operator's failure to comply w/ safeguards on: <ul style="list-style-type: none">• inherent governmental functions• cyberbullying
32	Survey on enforcement by registries of cyberbullying safeguards
33	Collect data on subjective/objective trustworthiness of new gTLDs with reg. restrictions on registration vs. those w/ few or none
34	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
35	Collect data on cost/benefits of implementing reg. restrictions, including impact on compliance costs, costs for registries, registrars & registrants
36	Seek public comment on impact of new gTLD reg. restrictions on competition, including whether restrictions create undue preferences

SAFEGUARDS DRAFT RECS.

Rec #	
37	Improve accessibility of voluntary PICs by maintaining a publicly accessible database
38	Future gTLD applicants to state goals of each voluntary PIC
39	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
40	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
41	Full review URS and consider how to interoperate with the UDRP
42	Fully review TMCH and its scope to provide data to make recommendations & allow an effective policy review

APPLICATION & EVALUATION PROCESS DRAFT RECS.

Rec #	
43	Set objectives for applications from the global South, establish clear measurable goals, and define “Global South”
44	Expand and improve outreach into Global South
45	ICANN to coordinate the pro bono assistance program
46	Revisit Applicant Financial Support Program, and try to further reduce overall cost of application, including additional subsidies & dedicated support for underserved communities
47	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
48	Review procedures & objectives for community-based applications. Reflect amendments revised AGB

APPLICATION & EVALUATION PROCESS DRAFT RECS.

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