Agenda

1. May You Come to ...
2. Digital Economy Bill clauses
3. Nominet Reform
4. Learning on improving engagement
• Unsuccessful attempts at reform

• Department for Business asks for full independent review

• Review concludes that the Board should be expanded, and that Nominet’s purpose is fundamentally a public one

• Nominet commits to reform: consultations and Extraordinary General Meeting

• **Digital Britain Report** states intention to legislate for reserve powers to intervene in the domain name system

• Legislation now going through Parliament: the **Digital Economy Bill**
Summary of the Digital Economy Bill

Key areas

- Extends role of OFCOM to include reporting on communications infrastructure...
- Imposes obligations on internet service providers to reduce online copyright infringement...
- Allows the Secretary of State to intervene in internet domain name registration
- Requires Channel Four to provide public service content on a range of media
- Provides more flexibility over the licensing of Channel 3 and Channel 5 services...
- Modifies the licensing regime to facilitate switchover to digital radio
- Allows variation of the public service provision in Channel 3 and 5 licences
- Provides OFCOM with additional powers in relation to electromagnetic spectrum access
- Extends the range of video games that are subject to age-related classification
- Makes provision for the regulation of copyright licensing
- Includes non-print formats in the public lending right payment scheme
Clause 2 (part)

134C OFCOM reports on internet domain names

(1) OFCOM must, if requested to do so by the Secretary of State prepare a report on matters specified by the Secretary of State relating to internet domain names, and send the report to the Secretary of State as soon as practicable.

(2) The specified matters may, in particular, include matters relating to

(a) the allocation and registration of internet domain names, and

(b) the misuse of internet domain names.

Applies to the industry, and not just to a Registry.
Clause 18

Notification of failure in relation to internet domain registry...where the Secretary of State is satisfied that a serious relevant failure in relation to an internet domain registry is taking place or has taken place.

Clause 19

Appointment of manager of internet domain registry...where the Secretary of State has given a notification specifying a failure, the representation period has expired, and the registry has not remedied the failure. ...appoint a manager in respect of the property and affairs of the internet domain registry for the purpose of securing that the registry takes the steps described [in the failure notice].
Clause 20

Application to court to alter constitution of internet domain registry

The Secretary of State may apply to the court for an order under this section.

The court may make an order making alterations of the registry’s constitution, and requiring the registry not to make any alterations, or any specified alterations, of its constitution without the leave of the court.
“The domain name industry in the UK is self-regulated ... the Government’s intention is that self-regulation by domain name registries should continue.”

“... no current Government plans to intervene ...”

“... it is intended that the powers ... will only be exercised where self-regulation fails to the detriment of consumers, businesses or the UK’s wider Internet economy.”

“We do not expect a registry to act beyond its powers to correct any failure that it could not reasonably address [eg] failure results from the actions of a third party....”

“... if a deficiency in self regulation resulted in continuing failure, then the Government would expect the registry concerned to take corrective action, or at least explain why corrective action was neither appropriate nor possible.”

“Use of the powers in the Bill would be a last resort. In practice, the Government would expect to enter into a dialogue with the registry concerned to explore ways of dealing with the issue that had arisen.”
Examples where the Government considers existing self regulation to be working well

- Work with the Police Central e-Crime Unit to take down >1200 .co.uk domain names used by criminals to sell counterfeit goods.

- Phishing lock. Working on phishing clearing house: information and notification service tool of verified phishing sites.

- Dispute Resolution Service (DRS) that offers an efficient and transparent method of resolving disputes in the .uk Top Level Domain.
The Extraordinary General Meeting

**The challenge**

- A complex set of constitutional changes needed
- Previous attempts to change the constitution did not all succeed
- Previous member voting turnout c16%
- Many members view us as just a supplier
- Some members do not trust the Board
Resolutions 1 (a), 1 (b) and 1 (c)

- Nominet should conduct its business for the public benefit (66.67% needed)

- “…the directors shall have particular regard to the impact of the Company’s activities on the general public.” (75% needed)

- “The objects of the Company are to undertake activities, ... and to do so for the public benefit.” (90% needed)

- EGM outcome: 1a + 1b + 1c passed
  - 1a 95.51%, 1b 96.85%, 1c 94.95%
Resolutions 2 (a) and 2 (b)

- Expand the board from six to ten members (up to three independent non executive directors and up to two additional executive directors) (66.67% needed)

- Updated directors’ conflict of interest provisions & corporate governance best practice measures (75% needed)

- EGM outcome: 2a + 2 b passed
  - 2a 94.07%, 2b 95.75%
The Extraordinary General Meeting

Resolution 3a
- Price setting should be by the Board (66.67% needed)

Resolution 3b
- Amend the constitution so the Board can set registration + renewal fees (75% needed)

Resolution 4
- Develop one or more proposals to achieve wider stakeholder involvement (66.67% needed)

EGM outcome: 3a + 3b + 4 passed
  - 3a 92.71%, 3b 95.02%, 4 94.61%
• Regional meetings, 1:1 meetings, national meetings
• Make it much easier for people to respond to consultations
• Multi-levels of detail: much detail, condensed version, executive summary
• Public relations activity, use of social media for dialogue
• Video to explain the issues and raise awareness
• Board level leadership
• In-house calling team encouraging members to participate and vote
• Outcome: 38.69% of members voted, 72% of voting power