

Contractual Relationships with Resellers

Issue:

Incorporate terms in the Registrar Accreditation Agreement (RAA) that augments the responsibilities placed on registrars with regard to their relationships with resellers.

Background:

ICANN's primary relationship with entities that sell gTLD registrations is governed by the RAA. While many registrars act as retail outlets for domain name registrations, some function exclusively as "wholesale" outlets that market domain name registrations through reseller entities. Other registrars function using a combination retail/wholesale model. Problems encountered by registrants when dealing with a reseller can be aggravated by the fact that the business relationship is not direct. At times the customer has no idea that there is a registrar responsible for its registration. ICANN has no direct contractual relationship with resellers.

Statement of Problem:

ICANN receives numerous complaints about reseller practices that it cannot directly address, but must address through the registrar. Experience has varied widely in terms of responsiveness and influence over reseller behavior among various registrars. Communications, compliance, and confusion are hallmarks of these problems. In addition, because an additional business relationship is involved (registrar-reseller), there is one more opportunity for problems to arise. A falling out between registrar and reseller can leave the registrant in the middle. Even if the registrant knows the identity of the registrar for its registrations, it may encounter difficulty in performing typical registrant functions through the registrar if the registrar does not have customer records that enable it to adequately identify the customer as the rightful registrant.

Furthermore, many resellers have no understanding or appreciation of the terms of the RAA that govern relationships between registrar and registrant. Opportunities for non-compliance can be multiplied in such circumstances.

Potential Outcomes:

- Registrants could benefit from enhanced reseller compliance with ICANN policies
- Resellers often wish to keep the identity of the registrar undisclosed in order to enhance its own business relationship with its customer – new requirements could interfere with this
- Registrars with major reseller relationships could find new terms costly to implement
- Registrant confusion could be fostered by terms that require greater involvement of the registrar in the reseller-registrant relationship

- Registrant confusion could be diminished by making the relationship between registrant and registrar more clear