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Filiz Yilmaz:

Hello, hi everybody. Hi. Right, my name is Filiz Yilmaz. I'm the Senior Director of Participation and Engagement, and thanks for coming here to our Newcomer's Tracks and the sessions. Some of you I know, you're not that newcomer but I believe these sessions are being found useful for maybe those second-timers, maybe third-timers. Hopefully one day when you know, maybe the fifteenth time or so you need a bit of a fresh up.

So we will start with the New gTLD Basics today, and then we have a series of sessions in this room, in this very room that you're in so you don't need to move away. We realize that you need to eat and drink at some point, but then after this session we have the Remote Participation Services at ICANN 41; then we will have a short break for lunch and then we will continue with Welcome to ICANN.

So normally we would rather have Welcome to ICANN obviously at the beginning and then proceed from there on, but as you will find out, ICANN meetings are very busy meetings with a lot of different sessions going on, and scheduling is a nightmare. So we did our best to follow a logical order for you but this is the story. The main thing is New gTLD Basics is about the New gTLD Program and they can, these ladies will give you a presentation about them. But then we will continue with a technical presentation more like about the services we give to follow these things remotely, and you can tell your friends back home who couldn't make it to this meeting maybe.

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Then we will have the Welcome to ICANN, and then it will be followed up with a Policy Update, which will be about the topics that you will see in the Supporting Organizations and across the other groups of ICANN, they will be discussing throughout the week.

So first, the afternoon session is basically first learn about ICANN and the organizations within it – what they do; and then proceed with what they will talk about within this week specifically. This is how our day will be following up, and I believe we will leave time for questions. Please, please be interactive. These sessions are for you and if we don't hear from you then we are not so sure if we are giving the right answers. You are responsible also for letting us know the right questions, okay?

Thank you, and welcome.

Karla Valente:

Good morning, everybody. My name is Karla Valente. I'm Director of Registry Programs for the gTLD Registry Department and one of many, many people at ICANN that work on the New gTLD Program. Today's session is about New gTLD Basics, so the new gTLD extensions. In this session I'm not going to be talking about the Applicant Guidebook, the new updates that happened. I'm not going to be talking about the Board vote that happens on Monday. You have the opportunity to know more about the status [flow] on Monday on the New gTLD Session Update. That's the best place to do it.



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And throughout the week there are other New gTLD sessions that are topic-specific, like, for example, there's one that is going to be about the questions that you find in the Guidebook, or about the trademark clearinghouse, so please take a look at your schedule to see some of the other New gTLD sessions if you are interested in them.

So I'm going to give you an overview about domain names. How many of you already know about the New gTLD Program? Okay. I'm going to talk a little bit about the timeline, why ICANN is doing this, what are the potential impacts that one might see in governments, businesses, internet users, trademark owners, brand owners; and then some of the highlights – so program, who, what, where, when, how of the New gTLD Program; and importantly, where to find more information. Then at the end we have a Q&A session as well.

So here is a slide that I personally like, which is about the internet as an evolving ecosystem. I think we see a lot of things happening on the internet, but sometimes we lose track of how fast things developed. So '91, which was not very long ago, we had the beginning of the World Wide Web; some earlier work had started. But then as we moved along in the '90s you saw a little bit more of interaction or activity on the web, so we see blogs, beginning of the social networking, beginning of music, images and videos; search engines, wireless connectivity. And that didn't take long at all. If you look at the Industrial Revolution, if you look at other



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things that happened in the past, this is a very short time for so much to happen.

And then as we move along, you will see further development with social media apps, mobile internet. There are places in the world that we have nowadays teenagers and kids that don't even use desktops. They do everything on mobile and they access internet, a lot of it is really a given for them. Voice over IP, TV – you can watch things over the internet so it's quite a lot that's been happening in the past decade.

So what is going to happen next? It's very hard to predict what is going to happen next on the internet because a lot of things that are happening right now don't have anything to do necessarily with the domain name, although the domain names give the basics or the platforms for those things to exist. But you see Facebook, you see a lot of the new developments that don't necessarily have to do with the registration of the domain name. However, a domain name as I said before is a platform. It's one of the bases – that's how the internet is structured and that's what we do. And expanding the top level could eventually help to foster some more innovation and creativity that you see out there.

Anatomy of a Domain Name – I know that most of you already know about the New gTLD Program so this is very basic, but it's important to remember that a domain name, a domain name address like our physical address is broken into some sections. So you have the www – most of the time we don't have to type that; then for example meetings.icann.org. If I were to give technical



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names for that I would say that org is first-level domain, icann is second level and meetings is the third level. And that's how when we talk about first, second, third level, top level – that's how you have to look. You have to look from the right to the left, and then when you go to Arabic and Chinese then you have to look at the other ways. I don't like talking about the directions but basically at the end of the address you're going to have the top level domain.

So today I'm only going to talk about the first or the top level. Some terminology clarifications: you are going to find that it is very, very overwhelming at ICANN to try to follow the acronyms. There's acronyms everywhere, from the Supporting Organizations to actually the working [problems] that they do, to some of the technical things. So don't get overwhelmed. You'll get it eventually.

Here, what is important for this presentation is to understand a gTLD or generic top level domain has to do with the top level that I was talking about. It's just a way to name it. It's an extension, label, suffix, string – in different publications you will see different terminologies used for the same thing. So it's these characters that make up the end of the name.

Then we also have the ccTLDs which are the country code top level domains, and they are the same. They are the top level domains but they are the country codes, and they are usually nowadays characterized by two characters, although with IDNs this is about to change or it's changing with that. But usually when you see two characters, like .br for Brazil, .jp for Japan or .sg for



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Singapore, we're talking about country code top level domains. When you're looking at .com, .org, .net, .mobi we're talking about generic top level domains.

For the general user it's very you know, that doesn't really matter that much. Usually they try to access their website sometimes just looking through the search engine or sometimes just relying on the marketing that is given by the companies of the products that they want to access. And in different places, the presence of the TLD is different.

So for example, I am originally from Brazil and when I go to Brazil and I look around, posters and marketing materials and magazines, I see a lot of .com.br, because locally the .com.br is an extension that has a very strong presence. I don't see as much .com because .com didn't have a penetration in Brazil until not very long ago, like five years or so ago because people simply didn't purchase. They didn't give their credit cards to purchase from a registrar outside the country. And you see the same in other countries around the world – the branding or the TLD presence really varies and depends on the country.

Another terminology that you're going to hear a lot about is IDN – internationalized domain names. So one of the things that you will notice is that for example we have ASCII - the .com, or .sg for Singapore. And this is in Latin characters, and for the longest time this is what you could find on the internet until very recently. There was a program called Fast Track and in this program you saw the introduction of the internationalized domain names. And



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why is that important? It's important because around the world people don't necessarily communicate with ASCII; people use different languages, they use different characters and they have keyboards that are made according to whatever they use.

So for them to have their whole address in the characters, the script that they speak is very important and very convenient. So you see even more of these IDNs. Now the top level IDN is something that is recent but second, third levels are not. They have been around for quite some time, so you would see for example Karla-in-Hebrew.com, or Karla-in-Chinese.pl for Poland.

We have seen that for quite some time around the world because different registries decided to introduce the IDNs on the second and third levels at their own pace. So this is not very standardized in our industry. You go to an extension, you don't necessarily find the same set of IDNs on second and third levels. But this is evolving.

And here I created this slide because I think it's important to understand how the space is shaping up. As I said, for the general user maybe that doesn't matter, but for us and our work here it does very much so. So if you look for example at two groups. The first group is the generic top level domains, and we have 21 right now. So you see here .org, .asia. How many of you are familiar with .asia being in the Asian Region? Yeah, so you see the .asia, .tel, .mobi, the well-known .com.



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And what we are doing through the New gTLD Program is actually increasing that space, so from 21 you are going to see an X number of new extensions coming up – X, we don't know what it is. But then you can see for example a dot and then a name of a city, a dot and then an acronym, like for example IBM; a dot and then a brand, like for example .microsoft; or a generic, like for example .love; or a community base, like for example .navajo; a region like .africa, and so forth.

So we don't know what kind of TLDs are going to be added going forward. When you look at the ccTLD side, remember, there were the two characters that were aligned with the country – they were the country code top level domains. This space is also evolving because we created a program that launched not very long ago called Fast Track in which governments could apply for extensions that were equivalent or meaningful to their country. And then you see an increase of IDNs in that space.

Now, there's one important distinction here. We have an increase of the IDNs on the top level through the Fast Track but we're also going to have an increase of the IDNs on the generic side. The difference is that here on the Fast Track the rules are very specific for the country codes. The Fast Track Program is a program by itself and if you want to take a look at it we have all the information on our website. It's very restricted about who can apply and what can be applied for. On the generic side that restriction is much less, so you can have for example the version of .love in Arabic or Chinese or Korean and so forth. So the opening





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or the opportunity for the IDN space on the generic is much broader.

So the DNS, or the Domain Name System, is a very complex ecosystem, and this is another thing that you will have to learn with time because it has to deal with acronyms and it has to deal with roles that companies play in the Domain Name System. For example here you're going to see that there's a Constituency Day on Tuesday and the registries are meeting, and the registrars are meeting. So what does that mean?

Well, the registries are the organizations or companies that actually manage the top level. They're responsible for the top level. On the generic space they sell this top level through registrars. So the registrars are the intermediaries. The registrars are really the ones that you usually interface with when you buy a domain name on the generic space. So for example, VeriSign is the one that manages the .com but you can buy the .com from different companies, like for example Go Daddy, right? And usually users and companies, they know those registrars because those are the ones that they sign the contract with, they are the ones that they pay for the domain name and so forth.

Then there's the registrant. The registrant is the individual or the organization. Now, for different extensions different rules apply. It's not like every individual, every company can apply for any extension. Some of them have geographic restrictions, some of them you have to have a trademark, some of them you have to be an established company – you cannot be an individual. So when



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you want to do branding, when you want to do your domain name you have to look at every single extension. Understand the rules, understand the customer and what you are trying to achieve, and then based on that strategize on what you need and what you don't need.

If you look at the ccTLD business and the gTLD business, the ecosystem is very complex. So for example in the gTLD business you have very clearly registries, registrars, and then the registrants. Sometimes registrants buy domain names through resellers. I'm not going to extend much on that because that could be very confusing, but sometimes you're not really dealing with a registrar, you're dealing with a reseller. So there's another layer between you, registrant, and the company that actually controls the top level.

And if you're thinking why am I going through all of that, those layers and layers of companies and why do we care about it, well, I'm going to explain to you a little bit later. We care about it because of security, because we need to understand the legitimacy of who we're dealing with; and some of the benefits of top level domains might have to do with exactly how this ecosystem is going to be shaping up in the future. On the ccTLD side, that hierarchy of having a registry, registrar and registrant or potential resellers varies from country to country, so this is a very tricky structure when it comes to ccTLDs.

So what is a gTLD registry? So the registry has a very specific requirement – it's a business, it's a company. It has a mandatory



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agreement with ICANN. The ccTLDs don't necessarily. They have some memoranda of understanding, they have sometimes some kind of formal understanding but not necessarily. gTLDs must have a contract with ICANN. It is an authoritative master database of all the domain names for the top level, so the zone file and everything is kept by this registry.

One of the things that you don't see here is that the registries are also responsible to come up with the rules of what you can register and what you cannot, and why. So for example, a registry gTLD, just because it's a gTLD it doesn't necessarily work like a .com, it doesn't necessarily mean that anyone and everyone can register – just pay a fee and that's it. Sometimes you need to follow very specific rules even for a gTLD. So for example, .museum, guess what? I, Karla, could not register under .museum because .museum is a TLD that is specially catered to museums. So generic does not equal anyone and everyone can apply for everything. Generic means something else in our industry.

So what is this program? So the program, remember the first graph that I showed, that there was a gTLD space with 21 expanding and there was a ccTLD space. So the New gTLD Program is a program that's designed to expand this gTLD space, so it's an initiative that is done through our bottom-up process. So it's not that we have some people that are employees of ICANN sitting in a room thinking "Hmm, what can we do next? Let's come up with some extensions." This is not how ICANN operates. We have this bottom-up process and we have people here that



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would meet and decide “What are the things that need to be done considering the environment, the DNS environment and ecosystem, and the challenges and issues and opportunities that we face in today’s world?”

So some time ago, an organization called Generic Names Supporting Organization – you will hear as the GNSO, which is composed of people from intellectual property, from the government, from the registries, from the registrars. It’s mixed group that represents all the different groups that you see here at ICANN, so they came together and for two years they discussed whether or not we should be expanding this space; and if we should be expanding this space, how. And they came up for two years with a policy.

So there’s 19 recommendations in the policy and this policy was approved by the Board, and then they came up and said “Okay staff, go ahead and implement.” So anything and everything that we do, all of the rules that you see for the New gTLD Program, they are rooted in this policy. They exist because this policy dictated that some of those things existed. So again, it is not staff coming up with the things of what has to happen.

This timeline is very in the beginning just to show you that this is not the first time we are introducing generic top level domains. We had some already, like the .com before ICANN was formally established as the ICANN organization. Then in 2000 we had the very limited round, and in this round we had companies applying and being approved to manage the TLDs that you see there, like



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.museum that I mentioned before. And in 2005 and 2007 you have the .asia, .cat and all of those extensions being introduced. Again, those companies went through an evaluation process, applied, were approved by the Board and became official TLDs that are available for users around the world.

Now, why are those rounds important? This information is important first for you to know that this is not the first time that gTLDs are established or are introduced into the marketplace. And the second reason is because we learned a lot from those rounds of what to do and not to do, and when the GNSO was developing the process or the policy, and as ICANN staff develops this implementation process we look at lessons learned from those rounds to make that evaluation process better. Each one of those evaluation processes, by the way, were different – different criteria, different requirements, different evaluation processes. So they're just serving as a basis, a trial kind of thing.

So as I said, the policy development took two years – 2005 to 2007 – and then what happened? What happened is that the Board said to staff “Go ahead and implement. Here's the policy that should serve as the foundation for everything that you need to do; go ahead.” And then ICANN, being this unique organization that it is, instead of doing what most of the companies do when they're developing a program or a product – they go, you know, develop everything and then they launch to the world what they have developed.



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ICANN is different, so what we did is we had this open and transparent process and we were sharing or continued sharing with you – the whole global internet community – the development of programs step by step; and we gather inputs from the internet community on how to improve certain things.

Sometimes this is confusing to people because we keep posting “Oh, this is the first draft of the Guidebook; there you go, now second draft, now excerpts, now this and that,” and people come to me and say “You know, there’s too many documents. I’m very confused, what is this about?” Well, this is just pieces of development being really shared with you so the community can give input.

Different communities or different parts of the community care about different things, so the intellectual property was very strongly focused on trademark rights and how we are protecting trademark rights in the program and how this happens moving forward, because they said “Wait a minute – we have a lot of infringement and other types of issues in today’s TLDs and world space. We don’t want that to be just increased with the number of TLDs that you’re introducing into the marketplace in the future. We just don’t want to see an increase on trademark issues and users need to be protected.”

So we listened very carefully to this community and then we improved the program based on their feedback. So that’s why you see a lot of publications and a lot of versions and public comments – it’s really an opportunity for you to be part of the development



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process and help us to create and build a program that is the best that it can be. Not fool proof – there’s no such thing, and also we do realize that some of the things that we do may not be exactly what some members of the community would like to see because ICANN has a very interesting role in which we have to get the input and we have to balance out everything.

So in balancing out, making sure that everybody is equally heard and everything is equally adopted into the program, sometimes there’s some compromise that needs to be made. And some of the suggestions might not be 100% implemented, but I can assure you that we always listen to the feedback. We have summaries that we give back to the community to explain why certain things might or might not be adopted or suggestions might not be adopted.

And that’s what you see here with the publication of the Guidebook. So right now we published the draft in May, and you still have the opportunity to comment on it. So read through it, participate. What is going to happen on Monday is that the ICANN Board of Directors is going to have a special meeting and that’s in the main room, and they are going to look at the Applicant Guidebook and whether or not to approve the publication of a final version.

And when we publish the final version the idea is that we’re going to have a period of time for communications, global communications – it’s a global communications campaign in which we are going to tell the world “Listen, this is what’s happening, this is why. This is where you find the rules and if you



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want to apply this is when you do it. And an application is going to be...” We will see the dates soon. But this global communications campaign is important, and because it’s global and because it impacts everybody it needs a certain period of time to be implemented. So it’s not an overnight campaign; it’s a minimum of four months that our Communications Team is going to be working on making sure that people understand what this is.

So why are we expanding the top level? We’re expanding because we want to remove some of the limitations that exist with ASCII. Like I said on the generic top level domains you see ASCII nowadays and we want to see more and more of the IDNs because also you have more connectivity around the world and more interest and demand for IDNs.

We would like to create a platform for innovation in the industry and the internet, so as I said innovation comes from all over the place but this is just a platform. So we’re not advocating that the TLD itself is innovative, but what registries in the future could do with that could be very innovative. And we want to increase choice and competition into the marketplace, choice and competition for consumers, for businesses.

I’m not going to expand too much on this but a lot of people ask me sometimes “Well, who is ICANN? Why is ICANN really doing new gTLDs?” We have some legal foundation for why we are doing that and there are some legal documents that can explain to you why we are the organization that has the right to expand the top level domain and why we are doing it.





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By the way, this presentation is going to be posted on our website so don't worry too much about taking notes; and also we're going to have a recording of the presentation so you can listen to it again or pass it on to your colleagues or somebody that you think might be interested in that, too. So you can look at ICANN's website, look for some of the documents that are listed here so you will have a better understanding of why we have the authority to do the top level domains.

The impact – so the impact is also very difficult to predict, because part of it depends on who is going to apply for what and most importantly, what they are going to do with what they apply for, how they're going to manage that TLD. But we believe that there is an opportunity for investment for businesses. There is an opportunity for more choice and competition, as I said before, innovation.

Brand management and marketing practices might change. Why? Because nowadays companies protect their brand of course through trademarks and other class IP protections of their brands. But when they look at protection online, they look at the top levels that exist where the consumers and products are and actually make a strategy on where to register. Some companies might look at it and say “Uh, instead maybe of having my registration done in an X number of TLDs around the world, maybe I could do the branding on my top level, so all of sudden...” – let's pretend that Karla is a company – “...I will be .karla.” And then under that I just brand



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online my top level, instead of having to brand for example karla.com.br or karla.sg or karla.com or so forth.

Now this is just one idea. Does that work for every single brand? Absolutely not. If you look at for example Proctor & Gamble or some of those organizations that have dozens, hundreds or just a large portfolio of trademarks or brands, is it really a good, cost effective strategy for them to register every single one of their brands on the top level and pay the \$185,000 and have to deal with the management? That might not be the best return on investment or the best strategy for them.

But anyway, the expansion of the gTLDs, regardless of what the companies do and whether or not they change their marketing and branding practice online is something that is going to require them to think about.

So impact on industry sectors, security, control, user behavior – that’s an interesting point. I really like that one because this shows you... Remember when I was explaining in the beginning that you have these layers of companies, so you as a user – so Karla Inc. here, I deal with the registrar, the registrar deals with the registry, the registry deals with ICANN, right? So we have those layers of contracts. And between me and the root there’s several parties there.

Now, if I have the ability to register .karla I really take away those parties away, so I have a relationship directly with ICANN. I control my TLD; I control my security. So the more companies



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you have or the more parties you have – and that’s not for the TLDs, it’s for everything: the more parties you have sharing data or passing data through the more vulnerability points you have, too, because each company has its own security and its own practices.

So if I have the ability to have my own TLD and invest on whatever security level I think is important for that TLD, for some brands or for some companies that might be a huge gain. And maybe for .bank, imagine if banking companies could have that and rely or develop a high-level security – we, as users, could benefit at the end.

Upgrade systems and applications as we accept the gTLDs – that’s an important point, too, because when we start introducing new gTLDs we need to make sure that all of the applications that you have online accept email addresses that have these new TLDs. And sometimes in the past when we introduced TLDs, and somebody provided, for example, filling out a form online, provided a web address that was .info, well, all of a sudden the form was denied saying “email address not recognized” because the system didn’t recognize the .info ending. So some of these applications, some of the things online will need to be upgraded. That’s not a minor thing; that’s actually an important thing that needs to happen by the technical community.

And here’s some impact on governments with increase of geographic names, language presence online, sort of globally-inclusive internet; impact on the ccTLDs; impact on the



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communities, community TLD and how they are able to communicate and gather online because with the globalization the communities are not necessarily now bound to a geographic location. You see communities, language communities, other types of communities that have presence all over the world and they can connect actually through the internet in this single space.

Internet users – the impact is difficult to predict but they might have more choices for registering domain names on second levels or may have more choices on trying to find out information online or communicate in their language online, or relate to a specific online community. So it could be quite interesting and challenging at the same time for the internet users in the future.

So who can apply? Entities can apply, established entities from anywhere in the world, and that means individuals cannot apply. An entity is the one that is going to sign the contract with ICANN, and you want to make sure that if you apply you understand what are the requirements, not only for the evaluation process but also the contract requirements with ICANN. So look at the Guidebook, and there is something that's going to be called base agreement or registry agreement, and that is going to tell you what is going to be the ongoing commitment of a registry with ICANN and the community.

So this application is not to register a TLD. This is one of the most common questions that we get, is “Where can I buy my TLD?” because people still think sometimes that when we talk about the top level we talk about just getting a credit card number and



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buying a TLD from a party, and that's not what we are doing here. This is a business opportunity. If you want to apply for a top level domain you are committing yourself to being in the DNS business as a business with a lot of operational and technical and financial requirements. And that's why we say this is an investment in business opportunity, because it's a business.

“How can I apply?” The application is going to be online. We are going to use a system that is called TAS, or the TLD Application System, so it's web-based. The process is in English. Even though we have marketing materials that are done in six United Nations languages, the application itself, the contract that you sign with ICANN, the evaluation process, etc., is in English. At this point in time we don't have a full-blown, robust multilingual program. We're considering that in the future because more rounds are contemplated in the future, but for now be prepared for the English language as the business language.

In this TLD application system you are going to be able to fill out information, also upload documents. You're going to be asked for a number of documents, and be very careful with critical deadlines. The application period – we are going to learn that from ICANN sometime in the future. We don't have the application period yet. The important step that needs to happen before that is the Board approving of the final Guidebook.

What do you need to apply? First of all you review the Guidebook and there you are going to see all of the requirements, all of the documents and information that you need to provide. And then get



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strategic parties involved, and that's very important. That has to happen yesterday because if you apply for a geographic name or a community name or some special TLDs, in the Guidebook you're going to have some endorsements or some documents that you need from those third parties to make your application and presentation legitimate.

So this kind of relationship development takes time. You don't do that overnight. Another example of a third party you might need, you say "Well, this infrastructure that you need to run a registry from a technical standpoint, this is too complex. That's not what I want to be doing." So maybe you want to consider what we call the backend service provider, which is a company that deals with all of the technical requirements that a registry must have or must comply. So this is another third party strategic consideration that you might want to do. So, as I said, there's some additional requirements for geographical communities and IDNs, and please, please, please be very careful with deadlines.

How much does it cost? It costs \$185,000. You are expected to pay that to ICANN. \$5000 is expected to be paid at the time you register for TAS, you register for the tool. There's a refund for some specific situations, and how much is refunded and what are the conditions for refund – this is something you find in the Applicant Guidebook. Other fees may apply, so that depends on how complex the evaluation is going to be; it depends on how complex your proposal is. So some other fees may apply.



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We also have an objection process that is completely separate from ICANN, and if there are objections then you can either object or defend your application or your TLD through the objection process. You're also going to be expected to pay some fees there to third parties, not to ICANN.

And a very important point here is that if you go through this evaluation process and your TLD is approved, you do have an ongoing commitment, a financial commitment with ICANN that is in the contract. So you will be asked to pay \$25,000 yearly to ICANN to continue being a registry; and if you have a classic model of domain name registrations, after a certain volume of registrations you might be asked also to pay transaction fees. All of this is outlined into the contract.

This is the evaluation process at a glance, so when I said "other fees apply," here maybe it's easier to understand. If your application is straightforward, it doesn't have any objection, everybody loves your TLD, nobody has anything to say about it and you provided all the documents and everything is okay – the evaluators said everything is fine – you do what is really a straightforward application path; which is there's an application period, you pass initial evaluation and then you go to transition to delegation.

Transition to delegation is where you're tested for some additional technical requirements that you need to comply. That's where you have your contract negotiated and signed with ICANN, and the Board approving the TLD and so forth. So that's very



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straightforward. It takes a certain period of time and you pay \$185,000.

Now, if your TLD requires an extended evaluation or is caught in an objection proceeding or has some string contention – string contention is when for example, you have two applicants that apply for the same TLD or a similar TLD. So when we were facing this problem, what happens if you have two companies that are equally well-qualified for the registry? How is ICANN going to have an objective process to decide which one of them gets the TLD? So that's why you have the string contention. You have an auction and something else for the TLD community base, so take a look at that because auction could be a cost that is difficult to predict. It really depends what you're up against and what is your TLD.

So that's why it's not only about having \$185,000. You also have the startup costs, develop those partnerships to put operations in place, etc.; and you also need to have some risk money or some additional money on the side just in case your application takes a different path and you have to deal with these different kinds of situations.

Here is just an illustration of what happens on the straightforward evaluation path, what kind of evaluations you're going to see on the initial evaluation – all of that is outlined in the Applicant Guidebook; the variables on the evaluation path. So if you require an extended evaluation what does it mean and what kinds of things are evaluated on the extended evaluation? What is the objection





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process? What can be objected? What kind of objections exist? Who objects to what? Who takes care of those objections because it is a third party? ICANN is not in the dispute resolution business and so we retained companies that are experts in doing that; and then, as I said, the string contention.

So if this happens to your application you plan for additional fees but you also plan for an additional time cycle for your application to be reviewed. Here, I'm not going to be extending too much on the grounds for objection because I can go on and on about that. There's lots of information about that but your application can be, if you are an applicant and you apply for a TLD, somebody can object to your application because of different grounds. And these are the different grounds that you see, again managed by third party companies.

“So what should I do now?” First of all, evaluate if the New gTLD Program is something that interests you. Review the Applicant Guidebook carefully. Get educated about the registry business and the DNS industry, which is really part of understanding whether or not this is something for you; and understand what is needed to get ready. As I said before and I'll stress again, it's not only \$185,000, it's not only to get the paperwork and the information. You might want to consider strategic partnerships and all of those things take time to develop. You cannot just wait for that and think “Okay, tomorrow is the application period, let's do it and fill out a form online.” That's not what this is about.



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So if you choose not to apply, say “You know what? I’m not really interested. It’s not for my brand, it’s not for my company, I’m not interested in establishing a new company and getting into this business – should I care?” Yes, you should. I think the worst things that companies can do nowadays is just say “This is something that just doesn’t interest me, therefore I’m not going to follow up on that.” And why is that? Is that because this could impact the way companies brand and secure their trademarks; somebody could be infringing on your trademark, on the application so you need to monitor that this doesn’t happen.

You need to see how the users are going to respond to new gTLDs, how the industries are going to respond. What are your competitors doing? Maybe somebody’s establishing a .supermarket and you are a supermarket brand – you need to understand what is it that they are going to be doing? Are you going to consider registering under supermarket? Are you going to consider maybe partnering with them and owning the top level? Don’t you want to know how they’re going to approach your customers in the future and what they are going to do with this top level?

So in my personal opinion, not doing anything or just disregarding this program, it’s not really a good option because regardless of your action or inaction things are going to happen, and if you want to continue to have good strategic branding online you might want to know what’s happening around you. And also user behavior; user behavior is a very important one. You don’t know in the



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future what your customers are going to do. Are your customers going to believe that every single supermarket chain that is legitimate is under .supermarket now? I don't know.

This is where you find more information. Again, you see that online. There's some basic fact sheets, and it has public comments, we sometimes do global events – all that information you find online. And that takes us to the end of the presentation.

Thank you very much. Do you have any questions? Yes?

Amrita Choudhury:

My name is Amrita. I am one of the Fellows from ICANN. I had a question. In the last part which you'd mentioned, saying that organizations need to be watching this carefully – the new TLD formations – and keeping track of what's happening and how it impacts them. I had a query. I come from India. Coming from that Indian perspective how many organizations are actually aware of this new development and what is ICANN thinking of spreading the awareness that “Look, you need to watch about it and think whether you want to go into this, or how you want to align with some kind of a prospective registrant to have TLD or go into it directly”?

Karla Valente:

So I just want to make sure that I understand your question well. The first part is the level of awareness on a global scale about this, right – how many companies we have here attending ICANN that



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actually understand the DNS business and are able to understand what this is about. But you imagine many, many, many more, even here in Singapore that are oblivious to what's happening here in this conference. And this is one of the challenges that we have. We're doing the best that we can with the budget that we have available to do communications, which means to spread the word about that and educate people about that.

It's very complex. It's very difficult to quickly educate people about that because you have to explain the whole business proposition. You don't do that in two minutes; it's not an elevator pitch, really. Even though we try it's not an elevator pitch. It requires a lot of education. But we try to do our best in our communications, and if you could help us to spread the word that would be fantastic. As I said, we have materials online that you could download and we're going to be doing our best, especially in the four months.

And you're right, there is a challenge because even to put up an application in four months with the strategic partnerships and the fundraising and everything that you need to do, it's not trivial. So it's going to be a challenge but we do our best. Now, the marketing of the TLD itself, you asked about that, right, which is another level once a TLD exists?

Amrita Choudhury:

I was asking about the awareness creation for getting them to be available. You've answered it in the first part.



Karla Valente:                   Okay, thank you very much.

Janice Douma-Lange:           And Karla, unfortunately because we got a little bit delayed we will need to wrap up. So we'd like to take one more question and go there. Oh look at that, our next presenter is letting us have five more minutes so that's awesome.

Karla Valente:                   That is awesome. Could we let the remote participants know, too? Okay, great.

Janice Douma-Lange:           I'm going to come right back to you, Siva, and I'm going to give it to a new face first.

Andrew Molivurae:           Thank you. Andrew from Vanuatu. We manage the .vu country top level domain. I just want to ask a question. You raised here briefly that registries can come up with rules on what to register and not to register. We had an incident lately, I think last week there was someone who wanted to register sex.vu and 69.vu, and we had some sort of convention on whether or not to register it. They actually went to the minister and to the regulator to make sure that he wanted that to be registered, but could you elaborate



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more on that? Do we have some sort of power in that to make the rules?

Karla Valente:

Yeah, so once a company becomes a registry this company can decide on the rules for registration – who can register or not; they can create a list of reserved names. There's some things in the base agreement they are required to do and there's some registries in the past that voluntarily blocked a number of strings like you could not register geographic names, you could not register some things that might be considered offensive. Others also blocked TLDs that could be considered valuable and later auctioned them, so different registries do different things.

I think that they establish and they create their business plan in the registry proposition, and then the policies for the registrants; and even though in our base agreement we do have some rules about what can and cannot be done, some of the reserved names that we have on the top level, second level, etc. But a lot of the sovereignty of the decision making really relies on the registries. So we're not going to do censorship; we're not going to block certain things voluntarily for everybody. What we did we already did and most of it was on a technical basis. Some of the TLDs you see blocked, they're blocked for technical reasons.

Sivasubramanian Muthusamy: My name is Sivasubramanian. I'm from ISOC India Chennai. I'm also a Fellow at the Fellowship Program. I want to



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know if there is a process in place to determine if a string contention is legitimate or meritorious. For example, there could be one of the businesses that's been working on a particular new gTLD, like .echo or .music, and they might have hired a registry service provider; they might have invested quite a lot; they must have been promoting that new gTLD even before the application process began for a long time – and at the last minute somebody else might apply for the same string and claim to be a legitimate applicant.

And that is either because he as a business is interested in that new string and suddenly finds that “Okay, I can also apply and the rules provide for it,” or he might think that there is value in contending for a string. Is there a process at ICANN that says “Okay, this contention is legitimate and this contention is just for the sake of contention”?

Karla Valente:

That is a very good question and that gave us a lot of headaches and sleepless nights when we were developing the process because if you look at just straightforward generic TLDs – let's say that there's two companies that apply for a generic string, I'm going to use .shop. Two or more companies have that, or [.eculture], two or more companies have that – how do I judge that this applicant here has more merit than that applicant over there? They are both equal in terms of how they demonstrated the operational and financial and technical capabilities. They all met the requirements that are outlined in the Guidebook, the evaluation set from a business



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perspective and everything you asked them to do, they are good. It would be very difficult for ICANN to be in a position to judge based on merit.

So we're not doing that. What we found is how can we get an objective process that could decide which one of those applicants gets the TLD, and in the case of the generic or the straightforward one we decided an auction would be a very neutral way to decide on that. You can question whether auction is a fair way because it depends on how much money the companies are able to pay for an auction process. I do realize that and you're probably right.

But it was very difficult to find an objective way to decide and we put in the lottery, but merit was something that we really couldn't do because one of the things that we need to do, if you look at the policies, we need to develop objective criteria and that is hard to do when you have certain situations. The second thing is remember not all TLDs are the same, so when you have a community-based TLD that requires the endorsement of the community.

There is a different process that evaluates applicants that are in contention, so there you have a point system that looks a little bit more in-depth. Again, it's not by merit. It looks a little bit more in-depth about the nature of the applications so there's a different process for that. But for the general one it's the auction, that's what we've got.





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Female: Hello, my question is two-phased. One is how you are involving the academic communities across the world, especially because they are more, they'll be the ones pretty much heavily involved in the new gTLD, whether it's (inaudible) and defining the future of it especially in the developing part of the world. How is that education being done or sharing of information?

Karla Valente: I'm sorry – academic community, you mean universities?

Female: Universities – yes, yes, specifically yes. And secondly, I'm looking outside in, this would be quite a disadvantage for many developing parts of the world because the fees are very high, what are you doing to make sure that that field is leveled?

Karla Valente: Very good questions, thank you. So for the first one we are not specifically involving the academic community if you think about involvement as being directly calling or emailing them and asking them to see A, B, C. We have a lot of representatives from the academic community that are part of the ICANN community, and they voluntarily go ahead and spread the word. But my knowledge is that we don't have a specific activity that is really targeted to the academic community.

And I do realize that in some countries and some regions, the academic community is really a strong community that talks about



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or spreads innovation or really lets people know what is going on in certain types of industry, but we don't have anything specific to that. Our communications campaign is a very generic communications campaign that goes to everybody and we're hoping that we reach to the academic community at the same level. This is one part I don't know.

And the second question is the developing countries and the question that the fees are high. There is a Working Group that actually I support; it's called the Joint Working Group, the acronym is the JAS Working Group – it's a very sexy acronym for a working group. And they've been looking at ways to help to increase the participation of developing countries into the New gTLD Program. One of their proposals is reduction of fees.

Whether or not this is going to happen is going to be up to the Board. The Board is the one that is going to look about the feasibility of this, but this JAS Working Group has been working for about a year on looking at all kinds of different models or different things that could be helpful. So it's a more inclusive proposal; it's not only about reduction of fees but it's help – in kind help, help with information, outreach, and other kinds of things.

So I strongly suggest that you read what is called the Second Milestone Report. It is now posted for public comments. If you look at the announcements this is something I put, what did I say: increase participation of developing countries, so take a look at that. We also on Thursday have a session in which this group is



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going to present the Second Milestone Report, and we're actually looking forward to the community participating in this debate on how we should do that.

But this is a very important topic that is being discussed at the Board level and the community level nowadays, and in the upcoming weeks or months we should see something being done in relation to that.

Janice Douma-Lange: Karla, thank you very much and thank you everyone for joining us today.

Karla Valente: Thank you all.

Janice Douma-Lange: We need to get to our next presentation – Remote Participation – and we'll start that in about five minutes. Karla, there were a couple questions and I let the folks know if they went to the back of the room you might be able to answer them one-on-one.

Karla Valente: Yes, and thank you very much for your time.

[End of Transcript]

