This document contains the draft registry agreement associated with the Draft Applicant Guidebook (Draft RFP) for New gTLDs. (Note: this is version 2 of the proposed draft agreement.)

Successful gTLD applicants would enter into this form of registry agreement with ICANN prior to delegation of the new gTLD. Background information on how this version of the draft agreement differs from the previous draft (see http://www.icann.org/en/topics/new-gtlds/draft-agreement-24oct08-en.pdf) is available at http://www.icann.org/en/topics/new-gtld-draft-summary-changes-18feb09-en.pdf.

It is important to note that this draft agreement does not constitute a formal position by ICANN, and has not been approved by ICANN’s Board of Directors. The agreement is being set out for review and community discussion purposes, and ICANN encourages comments and suggestions for improvement. This is a discussion draft only. Potential applicants should not rely on any of the proposed details of the new gTLD program as the program remains subject to further consultation and revision.
REGISTRY AGREEMENT

This REGISTRY AGREEMENT (this “Agreement”) is entered into as of _______ (the “Effective Date”) between Internet Corporation for Assigned Names and Numbers, a California nonprofit public benefit corporation (“ICANN”), and _________ a ___________ (“Registry Operator”).

ARTICLE 1 DELEGATION AND OPERATION OF TOP-LEVEL DOMAIN

Section 1.1  Domain and Designation. The Top-Level Domain to which this Agreement applies is ____ (the “TLD”). Upon the Effective Date and until the end of the term as defined in Section 4.1), ICANN designates __________ as the registry operator for the TLD, subject to the requirements and necessary approvals for delegation of the TLD and entry into the root-zone.

Section 1.2  Technical Feasibility of String. While ICANN has encouraged and will continue to encourage universal acceptance of all top-level domain strings across the Internet, certain top-level domain strings may encounter difficulty in acceptance by ISPs and webhosters and/or validation by web applications. Registry Operator shall be responsible for ensuring to its satisfaction the technical feasibility of the TLD string prior to entering into this Agreement.

Section 1.3  Statements of Registry Operator. Registry Operator represents and warrants that all material information provided and statements made in connection with the registry TLD application and during the negotiations of this Agreement were true and correct in all material respects at the time made, and that such information or statements continue to be true and correct in all material respects as of the Effective Date except as otherwise disclosed in writing by Registry Operator to ICANN.

ARTICLE 2 COVENANTS OF REGISTRY OPERATOR

Registry Operator covenants and agrees with ICANN as follows:

Section 2.1  Compliance with Consensus Policies and Temporary Policies. Registry Operator shall comply with and implement all Consensus Policies and Temporary Policies found at <http://www.icann.org/general/consensus-policies.htm>, as of the Effective Date and as may in the future be developed and adopted in accordance with ICANN’s Bylaws, provided such Consensus Policies and Temporary Policies are adopted in accordance with the procedure and relate to those topics and subject to those limitations set forth at [see specification 1]*.

Section 2.2  Data Escrow. Registry Operator shall comply with the registry data escrow procedures posted at [see specification 2]*.

Section 2.3  Monthly Reporting. Within 20 days following the end of each calendar month, Registry Operator shall deliver to ICANN a report in the format posted at [see specification 3]*. ICANN may audit Registry Operator’s books and records relating to data contained in monthly reports from time to time upon reasonable advance written notice, provided that such audits will not exceed one per quarter. Any such audit will be at ICANN’s cost, unless such audit is related to a discrepancy or discrepancies in the data provided by Registry Operator in excess of 5% to ICANN’s detriment. In the latter event, Registry Operator shall reimburse ICANN for all reasonable costs and expenses associated with such audit, which reimbursement will be paid together with the next Registry-Level Fee payment due following the date of transmittal of the cost statement for such audit.

* Final text will be posted on ICANN website; agreement reference to be replaced by hyperlink.
Section 2.4 Publication of Registration Data. Registry Operator shall provide public access to registration data in accordance with the specification posted at [see specification 4]*.

Section 2.5 Reserved Names. Except to the extent that ICANN otherwise expressly authorizes in writing, Registry Operator shall reserve from initial (i.e. other than renewal) registration all strings that appear on the Schedule of Reserved Names posted at [see specification 5]*.

Section 2.6 Functional and Performance Specifications. Functional and Performance Specifications for operation of the TLD will be as set forth at [see specification 6]*. Registry Operator shall comply with and keep technical and operational records sufficient to evidence compliance with such specifications for at least one year, which records ICANN may audit from time to time upon reasonable advance written notice, provided that such audits will not exceed one per quarter. Any such audit will be at ICANN’s cost.

Section 2.7 Protection of Legal Rights of Third Parties. Registry Operator must specify a process and procedures for launch of the TLD and initial registration-related and ongoing protection of the legal rights of third parties (“Rights Protection Mechanisms”), which shall at a minimum include those provisions set forth at [see specification 7]*. Any changes or modifications to Registry Operator’s Rights Protection Mechanisms following the Effective Date must be approved in advance by ICANN.

Section 2.8 Use of Registrars. Registry Operator must use only ICANN accredited registrars in registering domain names. Affiliates of Registry Operator may be ICANN-accredited registrars authorized to register names in the TLD, provided, however, that together they may act as registrar for no more than 100,000 names registered in the TLD. Registry Operator may not itself act as an authorized registrar for the TLD through the same entity that provides registry services. Registry Operator must provide non-discriminatory access to registry services to all ICANN accredited registrars that enter into and are in compliance with Registry Operator’s registry-registrar agreement for the TLD. Registry Operator must use a uniform agreement with all registrars authorized to register names in the TLD, which may be revised by Registry Operator from time to time, provided however, that any such revisions must be approved in advance by ICANN.

Section 2.9 Transparency of Pricing for Registry Services. Registry Operator shall provide no less than six months notice in advance of any price increase for domain name registrations, and shall offer domain name registrations for periods of up to ten years. Registry Operator is not required to give notice of the imposition of the Variable Registry-Level Fee set forth in Section 6.4. Registry Operator shall ensure through its Registry-Registrar Agreement that each ICANN-accredited registrar authorized to sell names in the TLD will clearly display at the time of registration a link to an ICANN-designated web page that ICANN will develop describing registrant rights and responsibilities. [Note: subject to continuing community discussion.]

Section 2.10 Contractual and Operational Compliance Audits. In addition to those audit rights set forth in Sections 2.3 and 2.6, ICANN may from time to time, at its expense, conduct contractual compliance audits to assess compliance by Registry Operator with its covenants contained in Section 2 of this Agreement. As part of any contractual compliance audit and upon request by ICANN, Registry Operator shall timely provide all responsive documents, data and any other information necessary to demonstrate Registry Operator’s compliance with this Agreement. Upon no less than five days notice (unless otherwise agreed to by Registry Operator), ICANN may, as part of any contractual compliance audit, conduct site visits during regular business hours to assess compliance by Registry Operator with its covenants contained in Section 2 of this Agreement.

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(Section 2.11  [Note: for Community-Based TLDs Only] Obligations of Registry Operator to TLD Community. Registry Operator shall establish registration policies in conformity with the application submitted with respect to the TLD for: (i) naming conventions within the TLD, (ii) requirements for registration by members of the TLD community, and (iii) use of registered domain names in conformity with the stated purpose of the community-based TLD. Registry Operator shall operate the TLD in a manner that allows the TLD community to discuss and participate in the development and modification of policies and practices for the TLD. Registry Operator shall establish procedures for the enforcement of registration policies for the TLD, and resolution of disputes concerning compliance with TLD registration policies, and shall enforce such registration policies.)

ARTICLE 3 COVENANTS OF ICANN

ICANN covenants and agrees with Registry Operator as follows:

Section 3.1 Open and Transparent. Consistent with ICANN’s expressed mission and core values, ICANN shall operate in an open and transparent manner.

Section 3.2 Equitable Treatment. ICANN shall not apply standards, policies, procedures or practices arbitrarily, unjustifiably, or inequitably and shall not single out Registry Operator for disparate treatment unless justified by substantial and reasonable cause.

Section 3.3 TLD Nameservers. ICANN will use commercially reasonable efforts to ensure that any changes to the TLD nameserver designations submitted to ICANN by Registry Operator (in a format and with required technical elements specified by ICANN at http://www.iana.org/domains/root/) will be implemented by ICANN within seven days or as promptly as feasible following technical verifications.

Section 3.4 Root-zone Information Publication. ICANN’s publication of root-zone contact information for the Registry TLD will include Registry Operator and its administrative and technical contacts. Any request to modify the contact information for the Registry Operator must be made in the format specified from time to time by ICANN at http://www.iana.org/domains/root/.

ARTICLE 4 TERM AND TERMINATION

Section 4.1 Term. The term of this Agreement will be ten years from the Effective Date.

Section 4.2 Renewal. This Agreement will be renewed upon the expiration of the term set forth in Section 4.1 above and each successive term, unless an arbitrator or court has determined that Registry Operator has been in fundamental and material breach of its covenants set forth in Article 2 of this Agreement, or in default of its payment obligations under Article 6, and such breach or breaches remain uncured following notice by ICANN to Registry Operator.

Section 4.3 Termination by ICANN. ICANN may terminate this Agreement if Registry Operator fails to cure any fundamental and material breach of Registry Operator’s covenants set forth in Article 2 or its payment obligations set forth in Article 6 of this Agreement within thirty (30) calendar days after ICANN gives Registry Operator written notice of the breach, which notice will include with specificity the details of the alleged breach and an arbitrator or court has determined that Registry Operator is, in fundamental and material breach and has failed to cure such breach. Failure of Registry Operator to complete all testing and procedures necessary for delegation of the TLD into the root zone within 12 months of the Effective Date shall be considered a material and fundamental breach of Registry Operator’s obligations hereunder.

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and shall entitle ICANN, in its sole discretion, to terminate the Agreement with no further obligations of either party. Registry Operator may request an extension for up to additional 12 months for delegation if it can demonstrate that Registry Operator is working diligently and in good faith toward successfully completing the steps necessary for delegation of the TLD. Any fees paid by Registry Operator to ICANN prior to such termination date shall be retained by ICANN in full.

Section 4.4 Transition of Registry upon Termination of Agreement. Upon any termination of this Agreement, Registry Operator shall agree to provide ICANN or any successor registry authority that may be designated for the TLD with all data regarding operations of the registry for the TLD necessary to maintain operations and registry functions that may be reasonably requested in addition to that data escrowed in accordance with Section 2.2.

ARTICLE 5 DISPUTE RESOLUTION

Section 5.1 Cooperative Engagement. Before either party may initiate arbitration pursuant to Section 5.2 below, ICANN and Registry Operator, following initiation of good faith communications by either party, must attempt to resolve the dispute by engaging in good faith discussion over a period of at least fifteen (15) calendar days.

Section 5.2 Arbitration. Disputes arising under or in connection with this Agreement, including requests for specific performance, will be resolved through binding arbitration conducted pursuant to the rules of the International Court of Arbitration of the International Chamber of Commerce (“ICC”). The arbitration will be conducted in the English language in front of a single arbitrator and will occur in Los Angeles County, California, USA. The prevailing party in the arbitration will have the right to recover its costs and reasonable attorneys’ fees, which the arbitrators shall include in their awards. In any proceeding, ICANN may request the appointed arbitrator award punitive or exemplary damages, or operational sanctions (including without limitation an order temporarily restricting Registry Operator’s right to sell new registrations) in the event Registry Operator shall be shown to have been repeatedly and willfully in fundamental and material breach of this Agreement. In any litigation involving ICANN concerning this Agreement, jurisdiction and exclusive venue for such litigation will be in a court located in Los Angeles County, California, USA; however, the parties will also have the right to enforce a judgment of such a court in any court of competent jurisdiction.

Section 5.3 Limitation of Liability. ICANN’s aggregate monetary liability for violations of this Agreement will not exceed the amount of Registry-Level Fees paid by Registry Operator to ICANN within the preceding twelve-month period pursuant to this Agreement (excluding the Variable Registry-Level Fee set forth in Section 6.4, if any). Registry Operator’s aggregate monetary liability to ICANN for violations of this Agreement will be limited to the amount of fees paid to ICANN during the preceding twelve-month period (excluding the Variable Registry-Level Fee set forth in Section 6.4, if any), and punitive and exemplary damages, if any, in accordance with Section 5.2.

ARTICLE 6 FEES

Section 6.1 Registry-Level Fees. Registry Operator shall pay ICANN a Registry-Level Fee equal to (i) the Registry Fixed Fee of US$6,250 per calendar quarter and (ii) the Registry-Level Transaction Fee. The Registry-Level Transaction Fee will be equal to the number of annual increments of an initial or renewal domain name registration (at one or more levels, and including renewals associated with transfers from one ICANN-accredited registrar to another, each a “Transaction”), during the applicable calendar quarter multiplied by US$0.25, provided,
however that the Registry-Level Transaction Fee shall not apply until and unless more than 50,000
domain names are registered in the TLD and shall apply thereafter to each Transaction.

Section 6.2 Cost Recovery for RSTEP. Requests by Registry Operator for the approval of new
or modifications to existing registry services are reviewed by ICANN and referred as appropriate
to the registry services Technical Evaluation Panel (“RSTEP”) pursuant to that process at
http://www.icann.org/en/registries/rsep/. Registry Operator shall remit to ICANN the invoiced
cost of the RSTEP review for new or modified registry services that are referred to the RSTEP within
ten (10) business days of receipt of a copy of the RSTEP invoice from ICANN.

Section 6.3 Payment Schedule. Registry Operator shall pay the Registry-Level Fees specified
in Section 6.1 and Section 6.4, if applicable, on a quarterly basis comprised of four equal
payments by the 20th day following the end of each calendar quarter (i.e., on April 20, July 20,
October 20 and January 20 for the calendar quarters ending March 31, June 30, September 30
and December 31) of the year to an account designated by ICANN.

Section 6.4 Variable Registry-Level Fee. For fiscal quarters in which ICANN does not collect a
variable accreditation fee from all registrars, upon receipt of written notice from ICANN, Registry
Operator shall pay ICANN a Variable Registry-Level Fee. The fee will be calculated by ICANN,
paid to ICANN by the Registry Operator in accordance with the Payment Schedule in Section
6.2, and the Registry Operator will invoice and collect the fees from the registrars who are party
to a Registry-Registrar Agreement with Registry Operator. The fee will be required to be
collected from all ICANN accredited registrars if collected from any. The amount of the Variable
Registry-Level Fee will be specified for each registrar, and may include both a per-registrar
component and a transactional component. The transactional component of the Variable
Registry-Level Fee shall be specified by ICANN in accordance with the budget adopted by the
ICANN Board for each ICANN fiscal year but shall not exceed US $0.25.

Section 6.5 Additional Fee on Late Payments. For any payments thirty days or more overdue
pursuant to Section 6.2, Registry Operator shall pay an additional fee on late payments at the
rate of 1.5% per month or, if less, the maximum rate permitted by applicable law.

ARTICLE 7 CHANGES AND MODIFICATIONS

[Note: Article 7 remains subject to continuing community discussion. For v2 of
the proposed agreement, Sections 7.1 and 7.2 reflect proposed changes from the
October 2008 version of the agreement intended to address public commentary on the
proposed Article. These changes include adopting proposals to allow the veto of
changes by a majority vote (greater than 50%) of the affected registry operators,
prohibiting use of Article 7 to effect changes to certain provisions of the agreement,
and providing for a “pre-consultation” period with registry operators regarding
proposed changes.]

Section 7.1 Evolution of Terms and Specifications. During the term of this Agreement, certain
provisions of the Agreement and the specifications incorporated into this Agreement may be
amended, modified, supplemented or updated in accordance with changing standards,
policies and requirements pursuant to the process set forth in this Article 7, provided, however,
that ICANN may not utilize this Article 7 to implement changes, modifications or amendments to
Article 3 or Section 2.1 of the agreement or specification 1, or to change the process for
adoption and implementation of new or modified Consensus Policies or Temporary Policies
generally.

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Section 7.2 Process for Changes. The process for any changes, modifications or amendments to this form of registry agreement permitted by Section 7.1 shall be as follows:

i. ICANN will provide an opportunity of no less than thirty (30) days for consultation with and consideration of input from registry operators that would be subject to the change;

ii. ICANN will publicly post on its web site for no less than thirty (30) days formal notice of any proposed changes, modifications or amendments to this form of registry agreement;

iii. Following such public notice period and ICANN Board approval with respect to material changes to the Agreement, Registry Operator will be provided notice of the final terms of any changes, modifications or amendments to the terms of this Agreement, and/or the requirements, specifications, or processes incorporated into this Agreement at least ninety (90) days prior to the effectiveness thereof by the posting of a notice of effectiveness on ICANN’s web site;

iv. Any such proposed changes, modifications or amendments may be disapproved within sixty (60) days from the date of notice of effectiveness of the change by a vote of more than half of the registry operators subject to the change;

v. In the event that such change, modification or amendment is disapproved by affected registry operators pursuant to the process set forth herein, the ICANN Board by a two-thirds vote shall have thirty (30) days to override such disapproval if the modification or amendment is justified by a substantial and compelling need related to the security or stability of the Internet or the Domain Name System.

ARTICLE 8 MISCELLANEOUS

Section 8.1 Indemnification of ICANN. Registry Operator shall indemnify and defend ICANN and its directors, officers, employees, and agents (collectively, “Indemnitees”) from and against any and all third-party claims, damages, liabilities, costs, and expenses, including legal fees and expenses, arising out of or relating to Registry Operator's operation of the registry for the TLD or Registry Operator’s provision of registry services; provided that Registry Operator shall not be obligated to indemnify or defend any Indemnitee to the extent the claim, damage, liability, cost, or expense arose due to a breach by ICANN of any obligation contained in this Agreement. This section will not apply to any request for attorneys’ fees in connection with any litigation or arbitration between or among the parties.

Section 8.2 Indemnification Procedures. If any third-party claim is commenced that is indemnified under Section 8.1 above, the party against which such claim is commenced shall provide written notice thereof to the other party as promptly as practicable. Registry Operator shall be entitled, if it so elects, in a notice promptly delivered to ICANN, to immediately take control of the defense and investigation of such claim and to employ and engage attorneys reasonably acceptable to ICANN to handle and defend the same, at Registry Operator’s sole cost and expense, provided that in all events ICANN will be entitled to control at its sole cost and expense the litigation of issues concerning the validity or interpretation of ICANN policies or conduct. ICANN shall cooperate, at Registry Operator’s cost and expense, in all reasonable respects with Registry Operator and its attorneys in the investigation, trial, and defense of such claim and any appeal arising therefrom, and may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such claim and any appeal arising therefrom. No settlement of a claim that involves a remedy affecting ICANN other than the payment of money in an amount that is fully indemnified by Registry Operator will be entered into without the consent of ICANN. If Registry Operator does not assume full control

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over the defense of a claim subject to such defense in accordance with this Section, ICANN will have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Registry Operator.

Section 8.3  **No Offset.** All payments due under this Agreement will be made in a timely manner throughout the term of this Agreement and notwithstanding the pendency of any dispute (monetary or otherwise) between Registry Operator and ICANN.

Section 8.4  **Change in Control; Assignment and Subcontracting.** Registry Operator will provide no less than ten (10) days advance notice to ICANN in accordance with Section 8.8 of any event or change of circumstance anticipated to result in a direct or indirect change of ownership or control of Registry Operator. Neither party may assign this Agreement without the prior written approval of the other party, which approval will not be unreasonably withheld. Notwithstanding the foregoing, ICANN may assign this Agreement in conjunction with a reorganization or re-incorporation of ICANN, to another nonprofit corporation organized for the same or substantially the same purposes. Registry Operator must provide notice to ICANN of any material subcontracting arrangements, and any agreement to subcontract portions of the operations of the TLD must mandate compliance with all covenants, obligations and agreements by Registry Operator hereunder.

Section 8.5  **Amendments and Waivers.** Except as set forth in Article 7, no amendment, supplement, or modification of this Agreement or any provision hereof will be binding unless executed in writing by both parties. Irrespective of the provisions of Article 7, ICANN and Registry Operator may at any time and from time to time enter into bilateral amendments and modifications to this Agreement negotiated solely between the two parties. No waiver of any provision of this Agreement will be binding unless evidenced by a writing signed by the party waiving compliance with such provision. No waiver of any of the provisions of this Agreement or failure to enforce any of the provisions hereof will be deemed or will constitute a waiver of any other provision hereof, nor will any such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 8.6  **No Third-Party Beneficiaries.** This Agreement will not be construed to create any obligation by either ICANN or Registry Operator to any non-party to this Agreement, including any registrar or registered name holder.

Section 8.7  **General Notices.** All notices to be given under or in relation to this Agreement will be given either (i) in writing at the address of the appropriate party as set forth below or (ii) via facsimile or electronic mail as provided below, unless that party has given a notice of change of postal or email address, or facsimile number, as provided in this agreement. Any change in the contact information for notice below will be given by the party within 30 days of such change. Notices, designations, determinations, and specifications made under this Agreement will be in the English language. Any notice required by this Agreement will be deemed to have been properly given (i) if in paper form, when delivered in person or via courier service with confirmation of receipt or (ii) if via facsimile or by electronic mail, upon confirmation of receipt by the recipient’s facsimile machine or email server. Whenever this Agreement specifies a URL address for certain information or notice provided by ICANN, Registry Operator will be deemed to have been given notice of any such information when electronically posted at the designated URL. In the event other means of notice become practically achievable, such as notice via a secure website, the parties will work together to implement such notice means under this Agreement.

If to ICANN, addressed to:
Internet Corporation for Assigned Names and Numbers

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Section 8.8 **Entire Agreement.** This Agreement (including those specifications and documents incorporated by reference to URL locations which form a part of it) constitutes the entire agreement of the parties hereto pertaining to the operation of the TLD and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties on that subject.

Section 8.9 **English Language Controls.** Notwithstanding any translated version of this Agreement and/or specifications that may be provided to Registry Operator, the English language version of this Agreement and all referenced specifications are the official versions that bind the parties hereto. In the event of any conflict or discrepancy between any translated version of this Agreement and the English language version, the English language version controls. Notices, designations, determinations, and specifications made under this Agreement shall be in the English language.

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INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

By: _____________________________
    [_____________]
    President and CEO
    Date:

[Registry Operator]

By: _____________________________
    [_____________]
    [_____________]
    Date:

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