

# GAC Workshop

## “TLDs and Domain Name Market Overview”

Alexa Raad, CEO

John Matson, COO

*A strategic perspective  
sparks innovation*



*Enabling wisdom in the service of the Internet*

*Strategy  
Consulting*

*New gTLD Services*

*TLD Managed Services*  
*- Business Case Builder*  
*- NameSentry™*  
*- Registry Financial Sys.*

*Alexa Raad, CEO*  
*PIR*  
*.mobi*  
*VeriSign*  
*AT&T*

*John Matson, COO*  
*KPMG LLP*  
*CapGemini*  
*Ernst & Young*  
*General Dynamics*

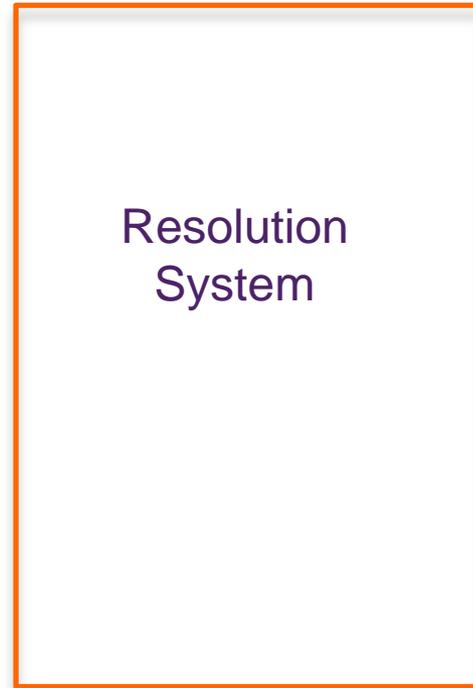
*Michael Young, CTO*  
*Afilias*  
*Grocery Gateway*

*Norbert Grey, CFO*  
*.mobi*

# Registry Functions

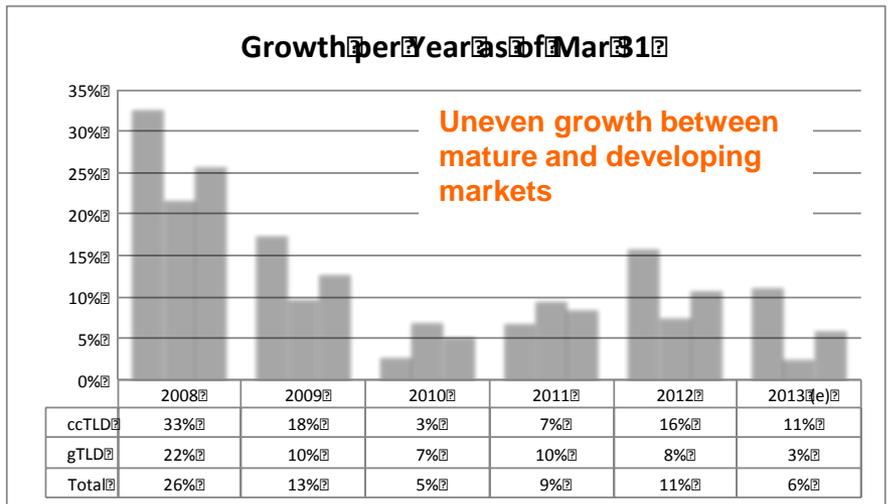
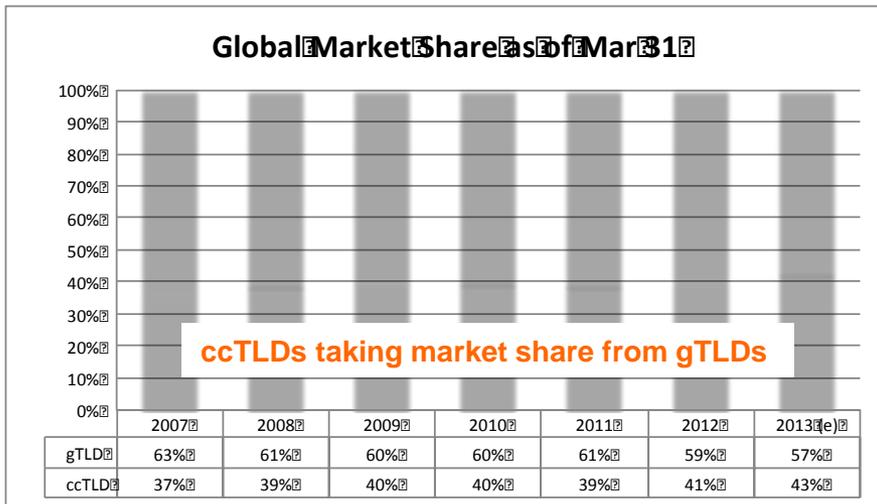
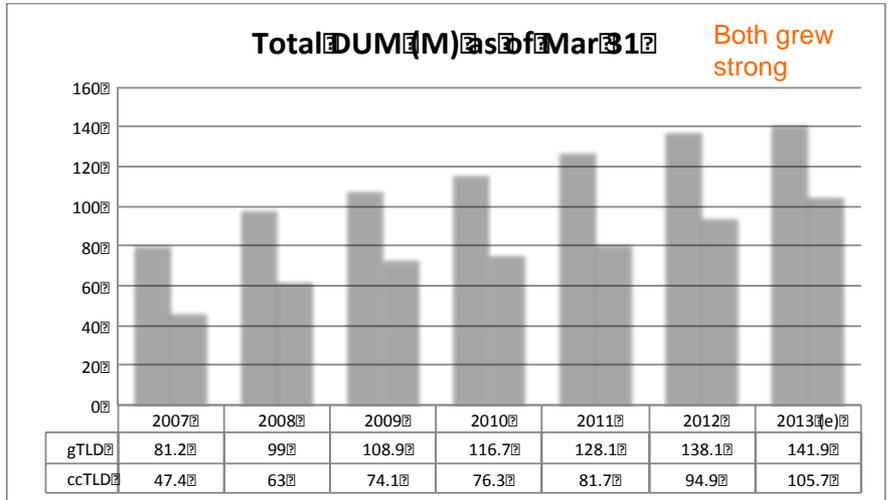
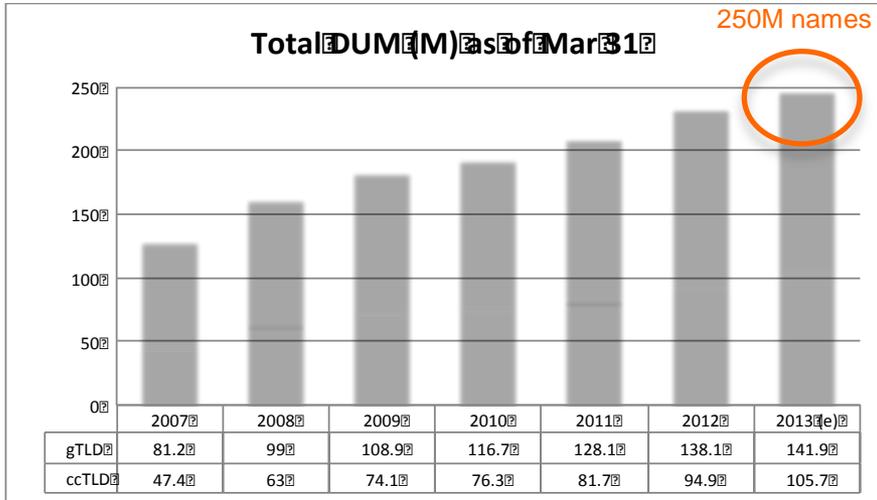


**Revenue**  
**Name Sales**



**Cost**  
**Name Resolution**

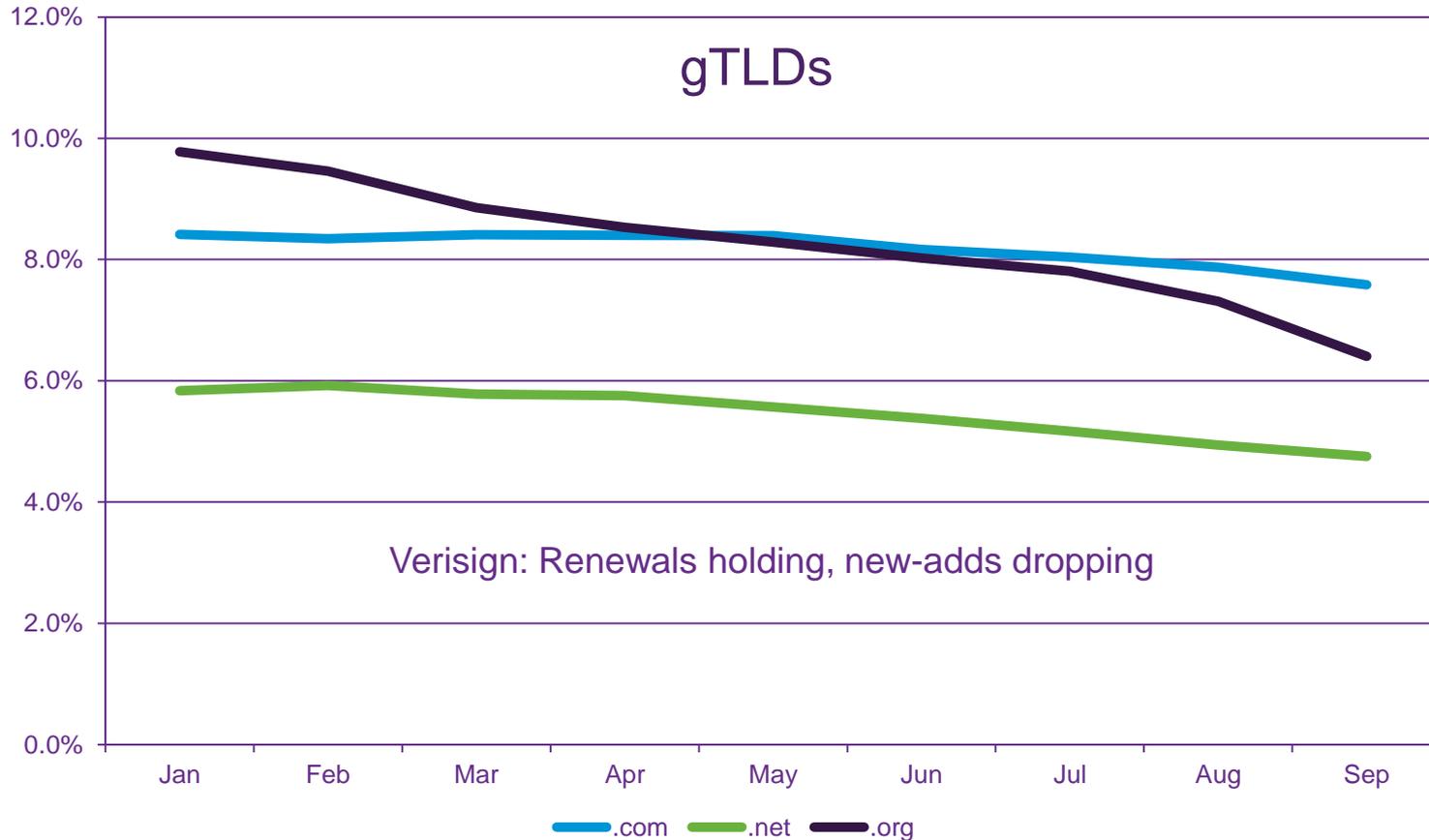
# 2012-2013 Total Market ccTLD vs. gTLD



Source: Architelos analysis of Verisign Quarterly Domain Name – 2013 estimate based upon doubling of Oct 2012 report 6 month data

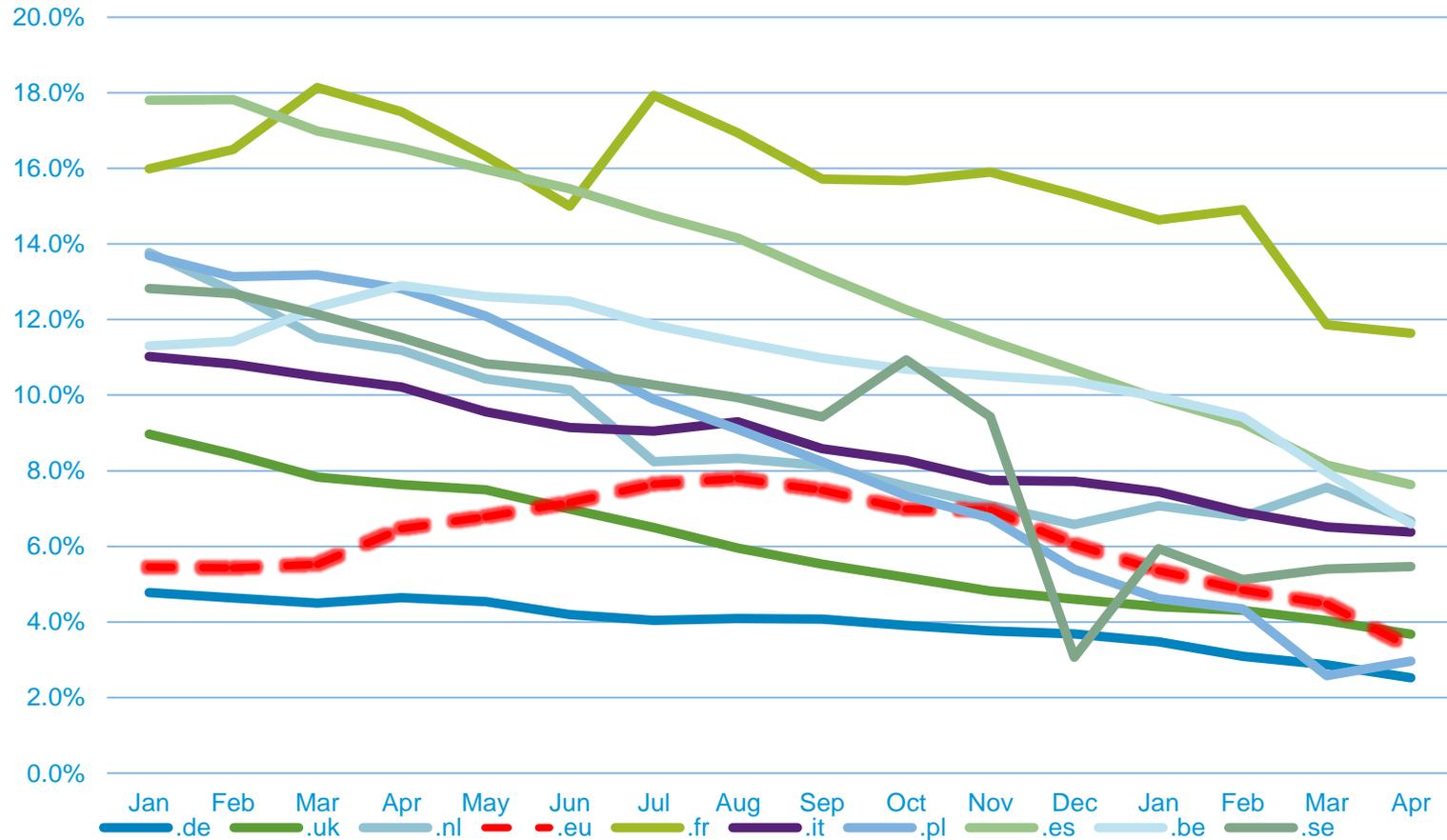
# But by Sept. 2012... changes were evident

Year over Year % change in DUMS - 2012 versus 2011



# and growth has been declining into 2013

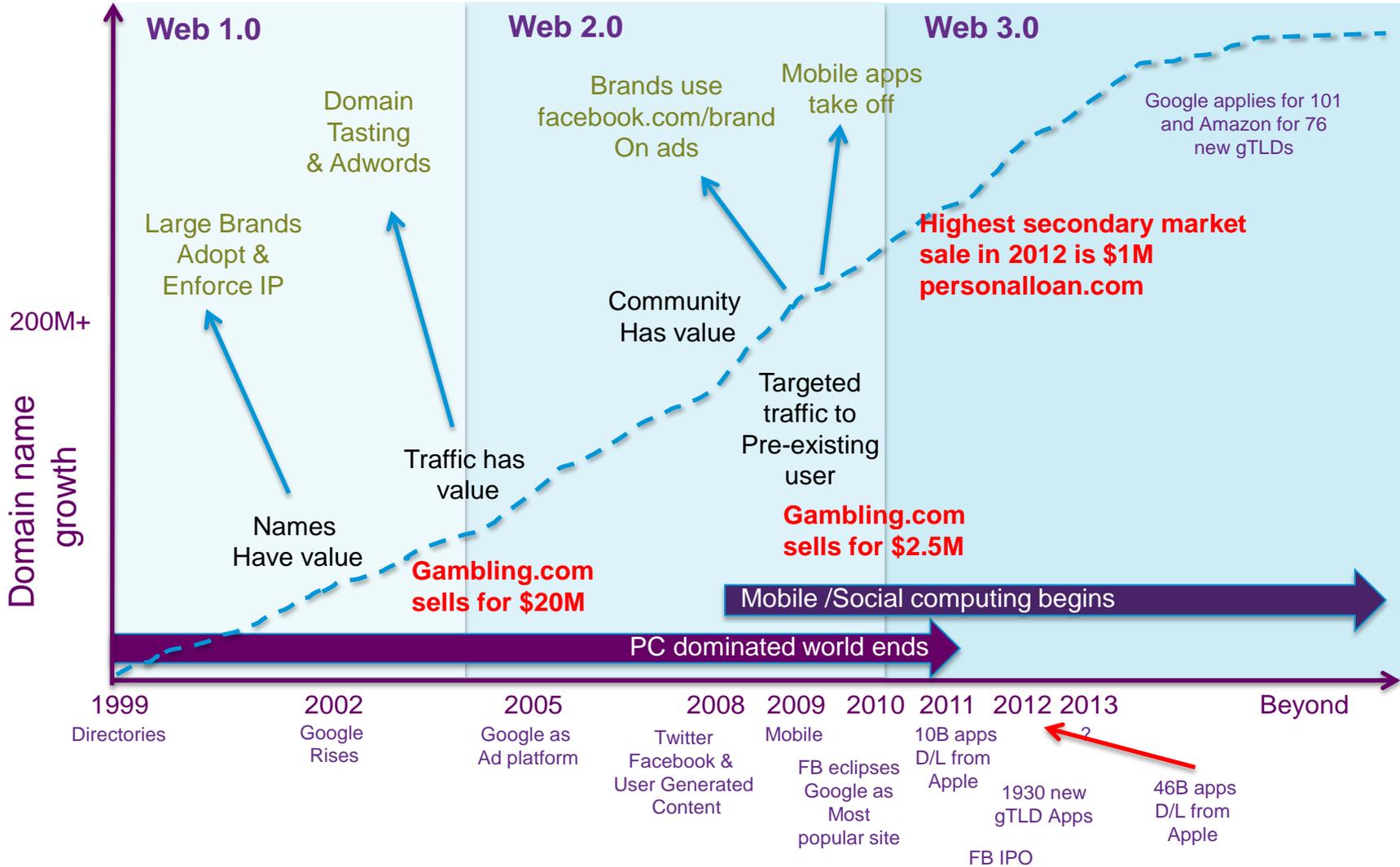
Top 10 European TLDs by Total Domain Names  
Jan 2012 - Apr 2013 Growth Percent Year/Year by Month



## But what is a Domain Name? – Really...

- An ASCII “label” on an IP address
- Label = Human recognizable and memorable
  - hence some names more valuable than others
- Basic utility of a domain name is the same regardless if it's a ccTLD or a gTLD
  - Pointer to a resource on the Internet
  - Necessary for routing traffic (because linked to IP address)
  - Used for identity and communication
- The market value of a domain name has less to do with its functional utility and more to do with its perceived or created value
- Ultimately it's the DNS and IP that matters!

# Whereas the Web's Business Models Have





# What is happening in the DNS Market?

- Reduced barriers to entry
- Unanticipated new players
- More choice/supply for consumers
- But also more confusion, chaos
- Incumbents tend to:
  - React slower, focus on protecting the status quo
  - Resist or deny change
  - Underestimate the upstart competitors
- High risk, high reward business models
- Integration along the value chain (up to supplier or down to retailer)
- Balance of power shifts
- Shifting price points and profit margins along the chain
- ***One big success can change everything...***



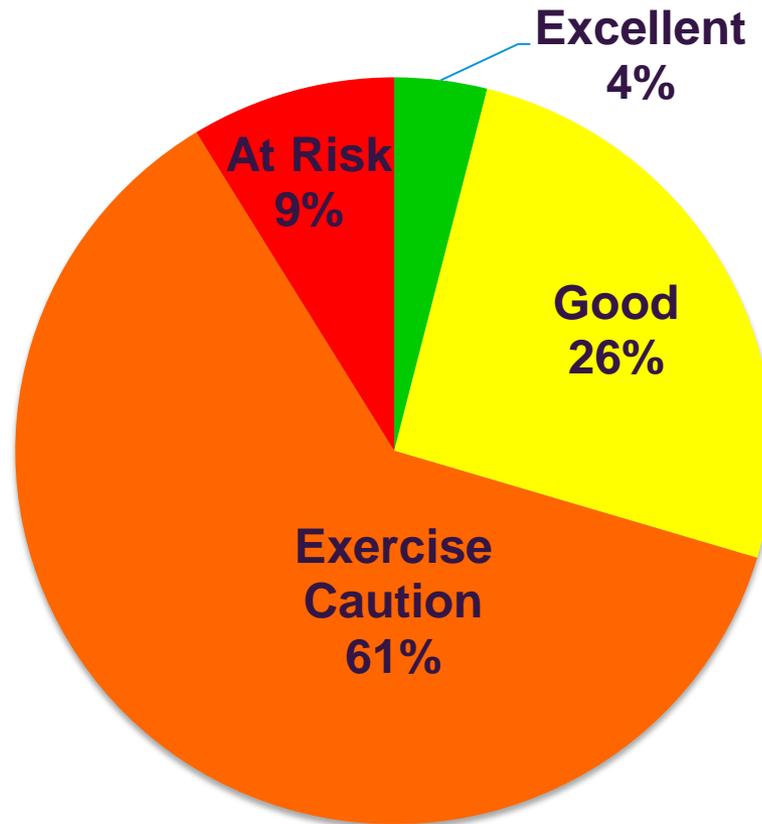
# Will they? Or Won't They?

- Debate on whether new gTLDs will increase abuse on the Internet  
But without a benchmark, how can you tell?
- How safe is it today?

<i>Namespace Quality Index (NQI) Values</i>	<i>Levels of Abuse Concern</i>	<i>Colors</i>	<i>Results</i>
<i>Range of Abuses per million domain names</i>	<i>The namespace quality conditions are</i>	<i>As symbolized by this color</i>	<i>Percent Abuse</i>
less than 100	Excellent	Green	0% to 0.01%
100 to 1,000	Good	Yellow	0.01% to 0.1%
1,000 to 10,000	Exercise Caution	Orange	0.1% to 1%
over 10,000	Surf at your own risk	Red	Over 1%

# What is the NQI Distribution of the Internet

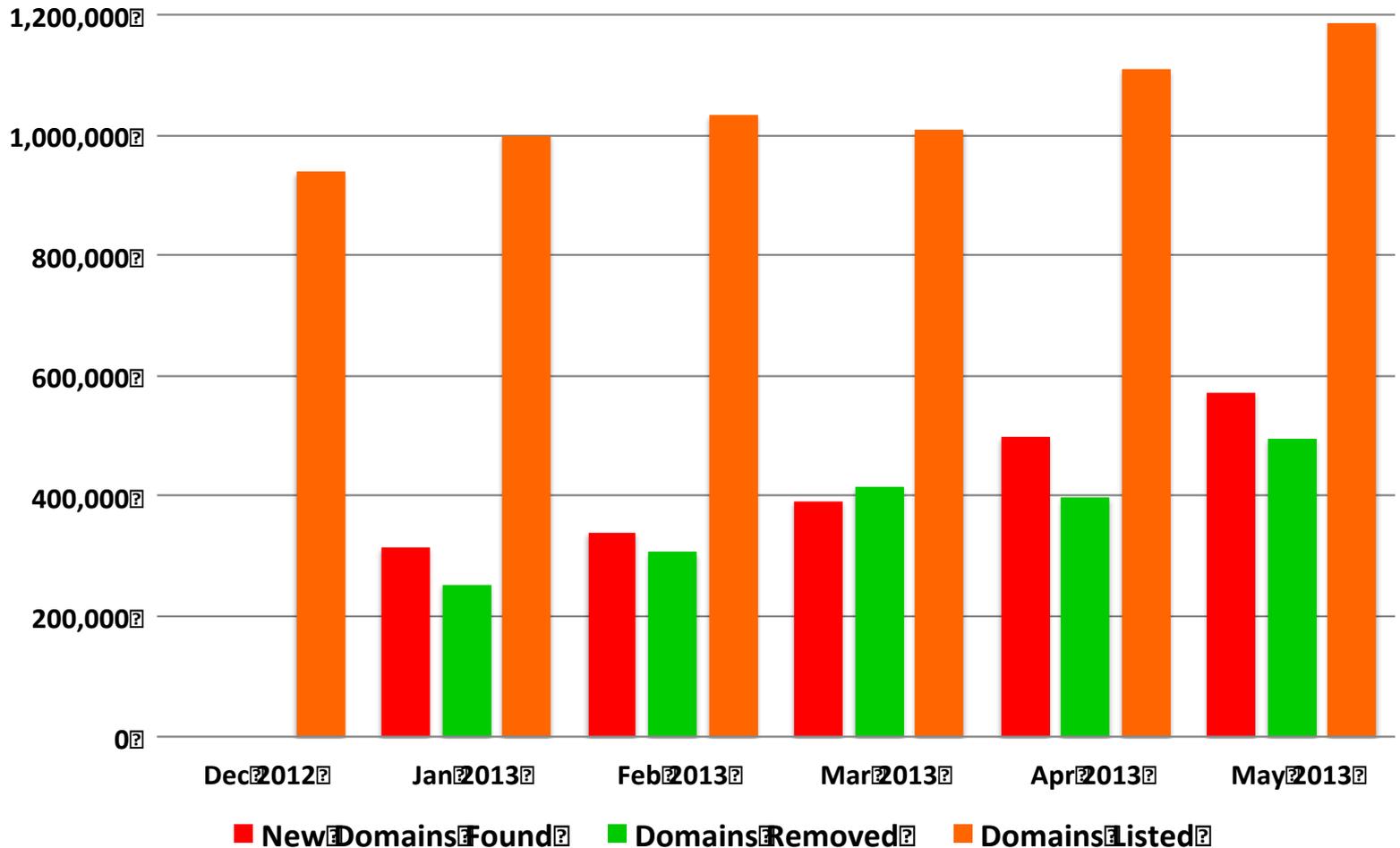
Namespace Quality Index Rating of Total Domains (257M)



# NameSentry 2013 Abuse Trend Analysis

Total Abusive Domains Increased Over 25% from Dec 2012 to May 2013

4,000 PPM @ 250M Names



# The Internet as a whole? “exercise caution” (NQI of 4,000)

## Namespace Quality Index

Excellent	
TLD	APM
tel	0
no	17
xxx	27
ie	33
nz	39
cz	46
ch	48
dk	53
sk	62
au	66
fi	81
lt	82
hu	83
si	92
pt	93

Good			
TLD	APM	TLD	APM
hk	102	id	250
tw	108	nu	260
gr	111	mx	264
sg	114	ro	266
nl	116	de	270
kr	132	cl	297
il	139	ir	301
ae	140	lv	303
ve	149	cc	316
se	151	tr	419
vn	156	es	449
co	172	br	451
my	198	PO	462
za	198	jp	556
ca	206	tv	600
ws	222	pl	660
tk	224	name	958
it	239	fr	980

Exercise Caution	
TLD	APM
me	1,011
at	1,066
eu	1,309
uk	1,451
ua	1,947
be	2,235
ar	2,362
org	2,596
com	4,260
su	7,010
net	7,121
biz	7,495
pro	7,941
mobi	9,349

At Risk	
TLD	APM
info	12,085
us	14,932
ru	25,079
asia	25,327
in	27,111
pw	30,151
cn	30,406

Namespace Quality Index	
Scale	APM
Excellent	less than 100
Good	100 to 1,000
Caution	1,000 to 10,000
At Risk	over 10,000

Date: 05/31/2013

Source: [www.namesentry.com](http://www.namesentry.com)

All TLDs > 100,000 domains

APM - Abuse per million domains

# NameSentry implements GAC recommendations

2.

**Mitigating abusive activity**—Registry operators will ensure that terms of use for registrants include prohibitions against the distribution of malware, operation of botnets, phishing, piracy, trademark or copyright infringement, fraudulent or deceptive practices, counterfeiting or otherwise engaging in activity contrary to applicable law.



**Step 1** Enables TLD registry to detect abusive registrations right away

**Step 2** And get as much info about it as soon as possible



## .COM Anti-Abuse Portal

Abuse Type: **Phishing** Displaying 100 of 20605 results [Download CSV](#)

Domain	Type	Listings	Registrar	IP	Target	Date Detected
ttmaicai.com	phishing	SURBL	—	No record detected	—	2013-06-05 21:39 UTC
URL: ttmaicai.com						
themoviebrats.com	phishing	SURBL	—	No record detected	—	2013-06-05 21:38 UTC
URL: themoviebrats.com						
solinger-trading.com	phishing	SURBL	—	No record detected	—	2013-06-05 21:36 UTC
URL: solinger-trading.com						
shopmizzou.com	phishing	SURBL	—	No record detected	—	2013-06-05 21:35 UTC



## themoviebrats.com Abuse Report

- Home
- Abuse Types
- Malware
- Phishing
- Spam
- IP Monitoring
- Manage Queues
- Reports
- Intelligence
- Admin
- My account
- Log out

**Actions**

[» Report to registrar](#)

**SURBL LISTED**

Listed on: **malware/phishing list**  
 Detected: 2013-06-05 21:38 UTC \*

**Spyeye Tracker**  
—

**Zeus Tracker**  
—

**Earliest Date Detected:**  
2013-06-05 21:38 UTC

**IP address:**  
No record detected

**Internet Identity**  
—

**Malware Domain List**  
—

**MalwareURL**  
—

**PalevoTracker**  
—

**Spamhaus**  
—

\* Note: Date detected represents time reported by data source (if available), OR time received by NameSentry.

**Whois**

Whois Server Version 2.0

Domain names in the .com and .net domains can now be registered with many different competing registrars. Go to <http://www.internic.net> for detailed information.

Domain Name: THEMOVIEBRATS.COM  
 Registrar: ONLINENIC, INC.

3.

**Security checks**— While respecting privacy and confidentiality, Registry operators will periodically conduct a technical analysis to assess whether domains in its gTLD are being used to perpetrate security threats, such as pharming, phishing, malware, and botnets. If Registry operator identifies security risks that pose an actual risk of harm, Registry operator will notify the relevant registrar and, if the registrar does not take immediate action, suspend the domain name until the matter is resolved.



NameSentry™ by Architelos



5 June, 2013

- [Home](#)
- [Abuse Types](#)
- [Malware](#)
- [Phishing](#)
- [Spam](#)
- [IP Monitoring](#)
- [Manage Queues](#)
- [Reports](#)
- [Intelligence](#)
- [Admin](#)
- [My account](#)
- [Log out](#)

**Name:**

**From:**

**Subject:**

NameSentry Automates registrar notification

**Notification Template**

Registrar:

The .%%TLD%% registry is alerting you to reported abusive activity on a domain sponsored at your registrar. Details and WHOIS data are below. Please investigate promptly and take appropriate action.

DOMAIN: %%DOMAIN%%  
 ABUSE(S): %%ABUSE%%  
 URL(S): %%URL%%  
 DETAILS(S): %%DETAILS%%  
 Listed by: %%SOURCE%%

We suggest that maliciously registered domains be suspended. If you provide Web hosting for this domain, please remove the malware immediately. If you believe the domain may be compromised or hacked, please contact your registrant with the details, so that the problem may be addressed by the registrant and his/her hosting provider.

**Legend**

%%DOMAIN%%	The Domain being reported
%%ABUSE%%	The type of Abuse may be multiple
%%URL%%	URL of the abuse reported
%%DETAILS%%	Details of abuse report
%%SOURCE%%	The source from where the report came from
%%TLD%%	The TLD of the abuse report
%%EMAIL%%	Email address to reply to
%%TARGET%%	Phishing target of abuse

- 
4. **Documentation**—Registry operators will maintain statistical reports that provide the number of inaccurate WHOIS records or security threats identified and actions taken as a result of its periodic WHOIS and security checks. Registry operators will maintain these reports for the agreed contracted period and provide them to ICANN upon request in connection with contractual obligations.

NameSentry keeps audit records of all security threats identified and actions taken by the registry as a result

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6. **Consequences** – Consistent with applicable law and any related procedures, registry operators shall ensure that there are real and immediate consequences for the demonstrated provision of false WHOIS information and violations of the requirement that the domain name should not be used in breach of applicable law; these consequences should include suspension of the domain name.

NameSentry automates mitigation workflows including and up to take down

## Key Messages

- Overall market slowing before new gTLDs
- Registry, Registrar & Contract Holder business models changing
- DNS value chain economics shifting
- One major success can change the industry
- Abuse on the Internet benchmarked with NQI
- GAC safeguards can be implemented

# Architelos GAC Workshop

## Thursday July 18

### 9:00 to 11:00AM

# Thank You!

Alexa Raad, CEO

John Matson, COO