

## **Group Liability**

### **Issue:**

Incorporate terms in the Registrar Accreditation Agreement (RAA) that address the responsibilities of a parent owner/manager when one or more of a “family” of registrars fails to comply with ICANN requirements.

### **Background:**

For business reasons, often related to enhancing access to the deleted names pool, some companies have chosen to establish multiple ICANN accredited registrars that are either wholly-owned or, in some other way, share management and resources. These groups range from two to over one hundred registrars in a group. Roughly two-thirds of all accredited registrars are part of a larger group. Most of these groups maintain a solid working relationship with ICANN due to their size and ongoing interaction on a variety of fronts. Occasionally, problems have arisen with one or more registrars within a group.

### **Statement of Problem:**

Under existing practices, each registrar accreditation is treated as a separate contract with a separate entity, though some efficiencies have been gained through batching invoices and other communications. Nevertheless, the opportunity exists for a subset of a group of commonly owned or managed registrars to pursue practices that are non-compliant with their ICANN contracts. At present, ICANN’s recourse involves taking steps to address individual registrars, but does not have a direct contractual means for including the larger company and its other accredited entities in the process. Our experience has shown that failure to comply with some aspect of the ICANN contract can be symptomatic of larger problems within the company. In terms of group ownership/management, this could eventually affect more registrars within the group.

### **Potential Outcomes:**

- Potential negative practices could be discouraged
- ICANN would have an additional enforcement mechanism available to discourage non-compliance
- Registrar owners/managers could experience negative consequences by registrar entities that have done nothing inappropriate
- Registrants could benefit by more effective contract compliance
- ICANN might identify and address underlying problems that could affect multiple registrars sooner than otherwise possible
- Registrar entities within multiple registrar groups could perceive themselves as inappropriately punished for the action of a related entity outside of its control