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# *New gTLD Agreement*

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*Proposed Draft*

This document contains the draft registry agreement associated with the Draft Applicant Guidebook (Draft RFP) for New gTLDs. Successful gTLD applicants would enter into this form of registry agreement with ICANN prior to delegation of the new gTLD. (Note: community-based applicants would enter substantially the same agreement, but with minor modifications to reflect the registry operator's obligation to enforce registration restrictions for the TLD consistent with the application.) Background information on how this draft agreement differs from previous registry agreements is available at <<http://www.icann.org/en/topics/new-gtld-draft-summary-changes-24oct08-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. 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 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, and that such information or statements continue to be true and correct in all material respects as of the Effective Date.

### 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 existing as of the Effective Date and adopted thereafter as set forth at <<http://www.icann.org/general/consensus-policies.htm>>. Consensus Policies and Temporary Policies are policies that are established 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.

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]\*.

\* Final text will be posted on ICANN website; agreement reference to be replaced by hyperlink.

Section 2.5 Registration Restrictions. 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 Registrar Relations. [TBD- See paper to be posted on ICANN's web site discussing registrar marketplace issues.]

Section 2.9 Transparency of Pricing for Registry Services. Registry Operator shall prominently post on its website an up to date listing of prices and policies relating to notice of price changes for new and renewal domain name registrations, for transferring a domain name registration from one ICANN-accredited registrar to another and for each other registry service offered by Registry Operator ("Registry Services Policies"). 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 and a link to Registry Operator's Registry Services Policies.

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 with the terms 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 with the terms of this Agreement.

## ARTICLE 3 COVENANTS OF ICANN

ICANN covenants and agrees with Registry Operator as follows:

Section 3.1 TLD Zone Servers and Nameservers. ICANN will use commercially reasonable efforts to ensure that any changes to the TLD zone server and 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 as promptly as feasible following technical verifications.

Section 3.2 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

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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 this Agreement which remains uncured.

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 obligations set forth in 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 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 critical 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 must attempt to resolve the dispute by engaging in good faith communications between the parties 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 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

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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 the greater of (i) the Registry Fixed Fee of US\$18,750 per calendar quarter or (ii) the Registry-Level Transaction Fee calculated per calendar quarter as follows. For any quarter in which the Registry-Level Transaction Fee as calculated in this Section 6.1 exceeds the Fixed Fee, then the Registry-Level Transaction Fee shall be paid. 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) during the applicable calendar quarter multiplied by US\$0.25 (the "Transaction Fee") for calendar quarters during which the average annual price of registrations (including all bundled products or services that may be offered by Registry Operator and include or are offered in conjunction with a domain name registration) is equal to US\$5.00. For calendar quarters during which the average annual price of registrations is less than US\$5.00, the Transaction Fee will be decreased by US \$0.01 for each US\$0.20 decrease in the average annual price of registrations below \$5.00, down to a minimum of US\$0.01 per transaction. For calendar quarters during which the average annual price of registrations is greater than US\$5.00, the Transaction Fee will be increased by US \$0.01 for each US\$0.20 increment in the average annual price of registrations above \$5.00.

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 specified on a per-registrar basis, and will be required to be collected from all ICANN accredited registrars if collected from any.

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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

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.

Section 7.2 Notice of Changes. ICANN will publicly post on its web site for no less than thirty (30) days notice of any proposed changes, modifications or amendments to this form of registry agreement. Following such public notice period during which ICANN will consider input from affected Registry Operators, 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. 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 either (i) two-thirds in number of the registry operators subject to the change or (ii) a two-thirds vote by the council of the ICANN Generic Names Supporting Organization (GNSO) pursuant to the GNSO's procedures (as the same may be modified from time to time) followed with respect to the review and consideration of new Consensus Polices. In the event that such modification or amendment is disapproved pursuant to the process set forth herein, the ICANN Board shall have thirty (30) days to override such disapproval if it can show that 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,

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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 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 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

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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  
4676 Admiralty Way, Suite 330  
Marina Del Rey, California 90292  
Telephone: 1-310-823-9358  
Facsimile: 1-310-823-8649  
Attention: President and CEO  
With a Required Copy to: General Counsel  
Email: (As specified from time to time.)

If to Registry Operator, addressed to:  
[ ]  
[ ]  
[ ]  
Telephone:  
Facsimile:  
Attention:  
With a Required Copy to:  
Email: (As specified from time to time.)

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.

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

By: \_\_\_\_\_  
[ ]  
President and CEO

Date:

[Registry Operator]

By: \_\_\_\_\_  
[ ]  
[ ]

Date:

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