



## **Recent Developments Within the Internet Corporation for Assigned Names and Numbers (ICANN)**

**February 2004**

### **Executive summary**

"WITSA continues to support ICANN and its consultative regulatory approach to managing the Internet's domain names and related services. Following the adoption of recent reforms, we recognize positive steps such as the established and effective mechanisms for dispute resolution, the continuing introduction of registrar competition, and above all an improved and transparent review process. These factors mean that now more than ever we can put our confidence in ICANN as the most viable means of managing the Internet."

### **World Information Technology and Services Alliance and ICANN**

The World Information Technology and Services Alliance (WITSA) is a consortium of 53 information technology (IT) industry associations from economies around the world. As the global voice of the IT industry, WITSA is dedicated to advocating policies that advance the industry's growth and development; facilitating international trade and investment in IT products and services; strengthening WITSA's national industry associations through the sharing of knowledge, experience, and critical information; providing members with a vast network of contacts in nearly every geographic region of the world; and hosting the biennial World Congress on Information Technology, the premier industry sponsored global IT policy event, and the Global Public Policy Summit. Founded in 1978 and originally known as the World Computing Services Industry Association, WITSA has increasingly assumed an active advocacy role in international public policy issues affecting the creation of a robust global information infrastructure. For additional information about WITSA and its activities, go to <http://www.witsa.org>.

WITSA was an active supporter of the establishment of ICANN and was a co-sponsor of the Barcelona-Monterrey-Washington 1999 proposal that led to the formation of one of its constituent groups, the Generic Names Supporting Organization (GNSO). WITSA is an active member of the GNSO Business Constituency group, as are a number of its national member IT industry associations. WITSA and its member associations helped elect the three business representatives to the current Council (the executive body of the GNSO). WITSA continues to participate actively within the ICANN process, to ensure that the interests of business users are represented.

## Statements of Support for ICANN

**Strong Private Sector leadership:** WITSA recognizes that ICANN has actively collaborated with Internet stakeholders during its formative years and has also sought their views during the Reform process. The involvement of its Support Organization's and Committee's in ensuring the integrity of the Internet and a domain name system that preserves the need for competition and consumer choice, requires minimal government involvement, and commands broad based stakeholder support, is essential.

**Effective arbitration against "bad faith" domain name registrations:** In adopting the Uniform Domain Name Dispute Resolution Policy (UDRP) on October 24, 1999, ICANN initiated an ambitious program against "bad faith" generic top level domain name (gTLD) registrations, such as .com, .net, and .org: By August 1, 2000, the World Intellectual Property Organization (WIPO), one of the four dispute-resolution service providers approved by ICANN, had received about 900 cases of alleged domain name trademark infringements, of which about 350 were settled, with more than three-quarters (80 percent) of the decisions going in favor of the complainant, usually the trademark holder. WITSA strongly supports the UDRP as an option to national law, and as a low-cost and effective mechanism for dealing with conflicts related to protecting the rights of intellectual property in the domain name space. WITSA supports the maintenance of the existing UDRP with its narrow focus on bad faith registrations, however, WITSA recognizes the importance of the recent initiative to set up a working group to consider issues related to the use of acronyms of International Intergovernmental Organizations and the names of countries and to consider how best to establish dispute mechanism to address these conflicts, separate from the existing UDRP.

**Effective Competition among Registrars:** WITSA supports the registrar accreditation policy for the generic TLD names; originally adopted by ICANN in January-March, 1999 to address .com; .net, and .org, and revised on November 4, 1999 and April 2000. The accreditation policy has enabled robust competition among more than 160 registrars, while maintaining the stability of top-level domains. WITSA also supports strong and effective enforcement of the terms of the accreditation policies in order to protect both competition and users' interests. The registrar accreditation policies should continue to be extended to all new registrars for any new gTLDs. However, WITSA recognizes that some highly specialized, sponsored gTLDs may have unique requirements for registrars, and that some specialization by registrars may be necessary to address such registration needs.

**Broad Participation in Policy Formulation and Procedures:** WITSA recognizes ICANN's efforts to ensure broad participation in policy formulation by stakeholders and the Internet constituents. In undertaking the technical management of the Internet, ICANN must balance the broad, bottom-up participation of Internet constituents in policy making with the need to make timely resolutions vital to the safe and stable operation of the Internet. WITSA applauds ICANN for recognizing that, lacking the power of governments to compel compliance, a consensus-driven, bottom-up process involving the implementing parties and users must drive the policy decision-making process. WITSA encourages all private sector Internet stakeholders to work with ICANN in continuing to improve its participatory processes with the goal of achieving timely resolution of policy issues with the participation of both users and affected parties. WITSA supports current initiatives, including:

- *The Notice-and-Comment Mechanisms*, providing both e-mail and web-based mechanisms for Internet users to submit comments on electronically posted policy proposals;
- *The Contractual Consensus Requirements*, ensuring that businesses contracted or licensed through ICANN follow future policies created through the consensus-development process;
- *The Support Organizations and Working Groups*, such as the Generic Name Supporting Organization (GNSO) and the GNSO Council, providing broad participatory mechanisms in the policy drafting stages; the Country Code Names Supporting Organization (ccNSO) and its yet to be formed Council;
- *The Advisory Committees* such as the DNS Root Server System Advisory Committee which

provides advice on the operational requirements of root name servers, and the Security and Stability Advisory Committee;

- *Other Committees and Task Forces*, such as the DNS Root Server System Advisory Committee.
- *The delegation of responsibility to specialized consensus-based groups*, ensuring that local aspects of policy related to country-code top-level domains and IP addressing are resolved by the organizations to which management is delegated, whilst ensuring that these processes are open and transparent.

**Transparency:** WITSA believes a private sector led, consensus-driven system for technical Internet management must include transparent procedures for policy formulation and dissemination of information to the public. WITSA recognizes ICANN's efforts to make information available through extensive use of its many web sites, e-mail announcement lists, press releases and advisories, ICANN meetings, web casting, and real-time audio access for public observers of meetings. Recently, ICANN has announced further efforts to provide easy alerts about new information on the web site and the possible development of a newsletter. Private sector Internet stakeholders are encouraged to work with ICANN constructively in identifying further areas of improvement as regards openness and transparency.

**Effective Review Process:** WITSA supports ICANN's efforts to implement effective procedures to address complaints of undue harm to members of the Internet constituency and regarding possible breaches of its mandate, as stipulated in its Bylaws and Articles of Incorporation. A *Reconsideration Policy* was adopted in March 1999, and superseded by an updated policy in December 2002. Through this mechanism any members of the Internet Community can request review or reconsideration of actions by the Board of Directors. A Reconsideration Committee consisting of not less than three ICANN directors will undertake the evaluation, determine whether a stay of the contested action pending resolution of the request is appropriate, request additional written submissions if required, and make recommendations to the Board.

**Membership Mechanisms, Accountability and Representation:** WITSA acknowledges the efforts made within ICANN to set in place the At large Advisory Committee (ALAC) to look after the interests of individual Internet users. ICANN adopted new Bylaws as a result of the reform process in October 2002 which called for the selection of ten members of the ALAC, selected through Regional At-Large Organizations, supplemented by the appointment of five members selected by ICANN's Nominating Committee. The ALAC will be underpinned by a network of self-organizing, self-supporting At-Large structures based on five regional areas. The earlier efforts by ICANN to involve individual stakeholders through an ambitious election process should be applauded. It proved to be a worthwhile learning exercise, highlighting many of the difficulties in meeting this important requirement, which should now be met by the adoption of the ALAC following completion of the reform process.

**Introduction of New gTLDs:** WITSA recognizes the interest in the addition of new generic Top-Level Domain Names (gTLDs) on the Internet root server system. The introduction of seven new top level domain names (gTLDs) in 2000 should prove useful in evaluating the best way forward. The recent decision (October 2003) to facilitate a new round of sponsored generic top level domains (sTLDs) which will result in new sTLDs in 2004 to serve specific communities is recognized as a positive response to calls from the community. In addition the decision to launch a broad strategic initiative to ensure a stable, transparent process to guide the introduction of further generic top level domains is supported.

WITSA continues to offer support for the introduction of new gTLDs against the following selection criteria

- The need to maintain the Internet's stability
- The enhancement of competition for registration services
- The enhancement of the utility of the DNS

- The extent to which the proposal would meet previously unmet types of needs
- The extent to which the proposal would enhance the diversity of the DNS and of registration services generally
- The evaluation of delegation of policy-formulation functions for special-purpose TLDs to appropriate organizations
- Appropriate protections of rights of others in connection with the operation of the TLD
- The completeness of the proposals submitted and the extent to which they demonstrate realistic business, financial, technical, and operational plans and sound analysis of market needs
- And with the assurance that such introduction must be totally self funding from the applicant base, and not result in a transfer of subsidy to other parts of ICANN, nor result in unfounded debt for legal review or defense.

### **Internationalized Domain Names**

The future introduction of domain names that use characters other than the ASCII character set is recognized by WITSA as a significant development. The ability to use additional scripts will help bring benefits of the Internet to other communities across the globe. WITSA offers support for the view that the internationalization of the Internet must be accomplished through standards that are open, non-proprietary and fully compatible with the existing model.

### **WHOIS**

ICANN has and continues to focus considerable effort on complex questions surrounding the WHOIS capability. The need to balance the requirements of accuracy and access with those of privacy is challenging. Every effort must be made to produce an acceptable, pragmatic approach that meets all needs of the Internet community. WITSA appreciates both the importance and the difficulties surrounding WHOIS and is fully supportive of ICANN's on-going efforts to address this.

### **The Country Code (CC) Names Supporting Organization and the Address Supporting Organization**

WITSA recognizes the value of the existing ccTLDs and notes the need for co-existence with any new gTLDs. It also recognizes the benefits that a CC Names Supporting Organization brings to ICANN and urges all parties involved in the discussion surrounding the creation of an SO, both within ICANN and the SO itself, to resolve the outstanding issues and pave the way for the formal creation of this body. The need to ensure both governments and CC managers maintain the required level of control over their domain name operations and policies is accepted, but the benefits that could be realized from an active SO within the ICANN community are also viewed positively. ccTLD managers are essential contributors to ICANN's success, and WITSA endorses the recent very positive steps to create the ccNSO.

Whilst the Address Supporting Organization of ICANN has yet to become fully effective, its perceived role as a place where global addressing policies can be developed and discussed is strongly supported.

### **Enhancing the security and operation of the root-server system:**

WITSA supported the plan adopted by ICANN on July 15, 2000, and as developed by the DNS Root Server System Advisory Committee (RSSAC), to enhance the security and operation of the root-server system and continues to view the operational stability of the Internet as a key requirement for ICANN.

### **Sound Financial Footing**

WITSA supports the approach to funding that was set out in the 'Blueprint for Reform' and has since been adopted as the way forward. This means that the core funding of ICANN should come from those registries and registrars with whom ICANN has an agreement, based on a per name fee, which essentially comes from the actual registrant. Whilst it is important that the level of funding is adequate to meet the needs of ICANN and facilitates ICANN's mission and goals, strong fiscal controls must also be in place to ensure accountability to the ICANN community and

stakeholders. The change of approach is considered a positive step towards ensuring that all those with a relevant interest are involved in the ICANN process, thereby providing the balanced representation that remains a prime requirement.

**Conclusion:**

ICANN can no longer be looked upon as new organization. It is now rapidly maturing towards adult status. The reform process that culminated in the decision by the ICANN Board to move ahead on the basis of the 'Blueprint for Reform' will accelerate that process. The changes to the structure of ICANN and the way ICANN works, comes at a time when it faces some significant issues; the introduction of new generic top level domains, WHOIS and IDN, to name but a few. It is important that the private sector groups continue to demonstrate they can work together effectively during this period of change.

WITSA recognizes the significant effort made by all Internet stakeholders since 1998 in working together to ensure the responsibilities entrusted to them were met, and in the successful conclusion of some key issues that ICANN addressed across that period. Lesson have also been learned which will assist in moving forward within a reformed ICANN.

On the 17<sup>th</sup> September 2003 the United States Department of Commerce (DoC) announced the extension of the joint Memorandum of Understanding (MoU) with ICANN for three additional years, until September 30 2006. It is imperative that ICANN demonstrates its full capabilities across that period. WITSA will continue to work with the Internet community and support ICANN in its efforts to achieve that goal.

## WITSA Members

<b>Argentina</b>	Cámara de Empresas de Software y Servicios Informáticos (CESSI)
<b>Australia</b>	Australian Information Industry Association (AIIA)
<b>Bangladesh</b>	Bangladesh Computer Samity (BCS)
<b>Brazil</b>	Sociedade de Usuários de Informática e Telecomunicações - Sao Paulo (Sucesu-SP)
<b>Bulgaria</b>	Bulgarian Association of Information Technologies (BAIT)
<b>Canada</b>	Information Technology Association of Canada (ITAC)
<b>Chinese Taipei</b>	Information Service Industry Association of Chinese Taipei (CISA)
<b>Colombia</b>	Colombian Software Industry Federation (FEDESOFIT)
<b>Czech Republic</b>	Association for Consulting to Business (Asociace Pro Poradenství v Podnikání - APP)
<b>Ecuador</b>	Association Ecuatoriana de Tecnología de Información y Servicios (AETIS)
<b>Egypt</b>	Egyptian Software Information & Communication Technology Chamber
<b>Finland</b>	Federation of the Finnish Information Industries
<b>France</b>	Syntec Informatique
<b>Greece</b>	Federation of Hellenic Information Technology and Communications Enterprises (SEPE)
<b>Hong Kong</b>	Hong Kong Information Technology Federation (HKITF)
<b>India</b>	National Association of Software and Service Companies (NASSCOM)
<b>Indonesia</b>	ASPILUKI - Indonesian Telematic Software Association
<b>Israel</b>	Israeli Association of Software Houses (IASH)
<b>Italy</b>	Associazione Nazionale Aziende Servizi Informatica e Telematica
<b>Japan</b>	Japan Information Technology Services Industry Association (JISA)
<b>Jordan</b>	Information Technology Association - Jordan
<b>Kenya</b>	Computer Society of Kenya (CSK)
<b>Lithuania</b>	Association of the information technology, telecommunications and office equipment companies of Lithuania (INFOBALT)
<b>Malaysia</b>	Association of the Computer And Multimedia Industry Malaysia (PIKOM)
<b>Mexico</b>	Asociación Mexicana de la Industria de Tecnologías de Información (AMITI)
<b>Mongolia</b>	Mongolian National Information Technology Association
<b>Morocco</b>	l'Association des Professionnels des Technologies de l'Information (APEBI)
<b>Nepal</b>	Computer Association of Nepal (CAN)
<b>Netherlands</b>	Federation of Dutch Branch Associations in Information Technology (Federatie Nederlandse IT - FENIT)
<b>New Zealand</b>	Information Technology Association of New Zealand (ITANZ)
<b>Northern Ireland</b>	Momentum - The Northern Ireland ICT Federation

<b>Norway</b>	ICT Norway (IKT Norge)
<b>Panama</b>	Asociación Panameña de Software (APS)
<b>Poland</b>	Polish Chamber of Information Technology and Telecommunications (Polska Izba Informatyki i Telekomunikacji - PIIT)
<b>Portugal</b>	Associação Portuguesa das Empresas de Tecnologias de Informação e Comunicações (APESI)
<b>Republic of Korea</b>	Federation of Korean Information Industries (FKII)
<b>Romania</b>	Association for Information Technology and Communications of Romania (ATIC)
<b>Russia</b>	Russian Information & Computer Technologies Industry Association (APKIT)
<b>Senegal</b>	Senegalese Information Technology Association (SIT'SA)
<b>Singapore</b>	Singapore infocomm Technology Federation (SiTF)
<b>South Africa</b>	Information Industry South Africa (IISA)
<b>Spain</b>	Asociación Española de Empresas de Tecnologías de la Información (SEDISI)
<b>Sri Lanka</b>	Sri Lanka Information and Communications Technology Association (SLICTA)
<b>Sweden</b>	The Association of the Swedish IT and Telecom Industry (IT-Företagen)
<b>Thailand</b>	The Association of Thai Computer Industry (ATCI)
<b>Turkey</b>	Turkish IT Services Association (TUBISAD)
<b>United Kingdom</b>	The Information Technology, Telecommunications and Electronics Association (Intellect)
<b>United States</b>	Information Technology Association of America (ITAA)
<b>Uruguay</b>	Uruguayan Chamber of Information Technology (CUTI)
<b>Venezuela</b>	CAVEDATOS - Venezuelan Chamber of IT Companies
<b>Vietnam</b>	VINASA - Vietnam Software Association
<b>West Bank &amp; Gaza</b>	Palestinian IT Association (PITA)
<b>Zimbabwe</b>	Computer Suppliers' Association of Zimbabwe (COMSA)