

## BRG Comments on marketplace health and the use of metrics relevant to .brand registries

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### Executive Summary

As ICANN seeks to evaluate the success of the new top-level domain name (TLD) programme, it has a number of related projects looking at marketplace health. See the Annex for full Background. Much of this work is relevant to generic TLDs but much less relevant to .brands. This paper suggests a direction for new metrics that encompass all new types of TLDs.

**The paper's key conclusion is that any results published by ICANN should separate out .brands and generic TLDs.**

### BRG Proposals

#### 1. gTLD Marketplace Health Index

The BRG would like to make three overarching comments:

- a) **Distinction of registry type.** Many of the proposed KPIs, such as those relating to dispute resolution decisions, incidences of abuse, and numbers of registrars offering each gTLD are not applicable to a closed Brand Registry model. The inclusion of Brand Registries when monitoring these would be likely to have the effect of reducing overall average figures. When monitoring such KPIs consideration should be given to the exclusion of Brand Registries, or to distinguishing the different Registry types.
- b) **Distinction of registry legacy.** Whilst the apparent intention is to measure the health of the gTLD marketplace it is not clear whether it is intended to distinguish between legacy gTLDs and new gTLDs. For many of the KPIs it will be more informative to make such a distinction. For some KPIs it will in fact be necessary to do so, failing which data for .com in particular is likely to significantly skew the results. For example:
  - the number of registrars offering each gTLD will be higher if .com is included
  - the relative incidence of URS / RRDRP decisions, which do not apply to legacy TLDs.
- c) **Defining stability.** The term "stable" in this context is not defined. The index is intended to "*analyse the overall health and diversity of the global gTLD marketplace*". The BRG suggests that in this context "stability" refers to factors related to the marketplace such as renewal rates for domain names, failure rates for registries, and so on, and not to matters related to the security and stability of the root zone. Security and stability of the root zone are already the subject of a review which is currently underway.

The BRG proposes the following additional concepts and comments.  
(See Annex for the full list of current ICANN proposals).

▪ **Trusted gTLD Marketplace**

Proposed KPI	Data Source	Interpretive Criteria
b) Relative incidence of UDRP and URS decisions against registrants	CCT metrics project	A smaller number of decisions against registrants under the UDRP and URS could indicate greater reputation and trust of gTLDs by Internet users.
		Additionally UDRP and URS decisions comparing .brands to generics would be helpful.  We assume it is the intention to assess the incidence relative to overall numbers of domain registrations in the TLD.
d) Quantity and relative incidence of complaints regarding inaccurate, invalid, or suspect Whois records	ICANN data	A smaller number of Whois accuracy complaints could indicate greater reputation and trust of gTLDs.
		Additionally WHOIS accuracy complaints comparing .brands to generics would be helpful.  We assume it is the intention to assess the incidence relative to overall numbers of domain registrations in the TLD.
NEW e) Growth in .brands	Granted Spec.13 applications or .brands in active use	A growth in .brands indicates a move to a more trusted marketplace as brands are in full control of all aspects of the domain.
g) gTLD renewal rates	Registry surveys and monthly reports	A greater ratio of renewals to deletions of second-level gTLDs might reflect greater actual use or intent to use domains and a greater perception of those domains' intrinsic value by registrants.
		It is not relevant to track this for .brands and it would not be reasonable to request that .brands respond to surveys requesting this information.

▪ **Stable gTLD Marketplace**

Proposed KPI	Data Source	Interpretive Criteria
NEW d) Growth in .brands	Granted Spec.13 applications or .brands in active use	A growth in .brands indicates a move to a more stable marketplace as brands are in full control of all aspects of the domain, improving security and reducing opportunities for phishing, the sale of counterfeits, and other forms of fraud.

### **Additional data sources to consider**

There are a number of potential additional data sources (all of which should be in the public domain or available directly to ICANN staff without additional reporting) which would be relevant to this piece of work:

- Statistics on registry/registrar families
- Registrations per TLD
- Relative numbers of domains which are parked
- Registries terminating or not renewing their RA
- Registry transfers/assignments.

### **2. AOC review on competition, consumer choice and consumer trust**

For this project there is .brand relevance in metrics relating to abusive behaviour. The BRG encourages ICANN to publish its data in a way that compares behaviours in .brands to the rest of the marketplace.

### **3. Spec 11.3b requirements in the Registry Agreement**

For this project the BRG supports the concept of different standards, and believes it should be sufficient to ask .brands to report annually and only then when such behaviours are found, as the occurrence will be by definition rather low.

## **About Us**

The Brand Registry Group (BRG) is an independent membership organisation of owners of a top-level domain name that matches their existing brand. The turnover of the respective groups behind these domain names is some \$1300 billion. The BRG is registered by Royal Decree as an international not-for-profit under Belgian law. The group represents the common interests of members and offers selected services paid for from fees.

## Annex 1: Background: current ICANN projects

### 1. gTLD Marketplace Health Index

By November 2015, ICANN had developed a set of candidate concepts for community discussion to inform its creation of a gTLD Marketplace Health Index. This Index is intended to analyze the overall health and diversity of the global TLD marketplace. These concepts focus on (i) robust competition, (ii) consumer trust, and (iii) non-technical stability. See Annex for detail. In November 2015 ICANN was seeking community input on the Index [here](#). A key part of the consultation is the question:

*"Are there any additional concepts not identified in this proposal that are vital to a healthy and diverse global gTLD marketplace?"*

- *If yes, what are they?*
- *How should ICANN measure these additional concepts?*
- *How can ICANN efficiently collect the data required to measure these additional concepts?"*

### 2. AOC review on competition, consumer choice and consumer trust

The above index overlaps with work as part of its Affirmation of Commitments with the U.S. Department of Commerce. ICANN has committed to conducting a regular review of how the new TLD Program has impacted competition, consumer choice and consumer trust in the Domain Name System. This initial review will incorporate data from a global survey of Internet users and registrants; an economic study exploring pricing and marketing practices in the domain name marketplace; as well as other [metrics](#) related to compliance complaints, technical services, [abusive behaviour](#) and other topics related to the programme. ICANN has created a data portal of the metrics [here](#).

### 3. Spec 11.3b requirements in the Registry Agreement

Specification 11.3b in the Registry Agreement states *"Registry Operator will periodically conduct a technical analysis to assess whether domains in the TLD are being used to perpetrate security threats, such as pharming, phishing, malware, and botnets."*

A Framework Committee is active within ICANN to work out how Spec 11.3b may be implemented. The work of this committee can be found [here](#). Allen Grogan, ICANN Head of Compliance, has indicated that he contemplates different standards for .brands and generics as the same risks are not present in .brands

# Annex 2: ICANN’s Marketplace Health Index proposed key performance indicators (KPI) and data sources

The following are candidate concepts intended to generate community discussion about what it means for the global gTLD marketplace to be "healthy," as well as proposed data sources and interpretive criteria.

## 1. Robust and Competitive gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Number of countries with at least one ICANN-accredited registrar	ICANN data	A larger number of jurisdictions where registrars are located could demonstrate a more robust and diverse gTLD market. Conversely, a smaller level of geographical diversity might indicate barriers to entry exist that could be addressed.
b) Average number of registrars offering each gTLD	Monthly registry reports	A larger number might indicate greater technical, operational, legal, etc., accessibility of gTLDs by registrars.
c) Number of registrars offering IDN registrations	Registrar or registry surveys	An increase in the number of registrars offering IDN registrations could demonstrate an increasingly diverse and robust market for IDNs.
d) Ratio of registrars to registrar "families"	ICANN data	A smaller registrar-to-registrar family ratio (i.e., there are either more distinct, unrelated entities who own registrars or fewer registrars who share a common controlling interest) might tend to indicate greater diversity in the marketplace. A greater registrar-to-registrar family ratio would indicate that existing registrar families have acquired more accreditations.
e) Ratio of registries to registry "families"	ICANN data	A smaller registry-to-registry family ratio might tend to indicate greater diversity in the marketplace as it suggests more distinct, unrelated entities are running more gTLDs.
f) Innovation and introduction of new services	Registrar and possibly reseller surveys, RSEP data	The introduction of new and innovative services would tend to indicate a more competitive marketplace.
g) gTLD renewal rates	Registry surveys and monthly reports	A greater ratio of renewals to deletions of second-level gTLDs might reflect greater actual use or intent to use domains and a greater perception of those domains' intrinsic value by registrants.

## 2. Trusted gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Decisions against registry operators arising from Registry Restrictions Dispute Resolutions Procedure (RRDRP)	<a href="#">ICANN Competition, Consumer Trust, and Consumer Choice (CCT) metrics project</a>	A smaller number of decisions against registry operators under the RRDRP could indicate a more healthy and trusted marketplace.
b) Relative incidence of UDRP and URS decisions against registrants	CCT metrics project	A smaller number of decisions against registrants under the UDRP and URS could indicate greater reputation and trust of gTLDs by Internet users.
c) Relative incidence of ICANN breach notices issued to registries and registrars.	ICANN data	A smaller number of breach notices could indicate fewer noncompliant registries and registrars, and therefore, a healthier and more trustworthy marketplace.
d) Quantity and relative incidence of complaints regarding inaccurate, invalid, or suspect Whois records	ICANN data	A smaller number of Whois accuracy complaints could indicate greater reputation and trust of gTLDs.

## 3. Stable gTLD Marketplace

Proposed KPI	Data Source	Interpretive Criteria
a) Number of data security breach reports made to ICANN (as required by the 2013 RAA).	ICANN/registrar data.	A smaller number of security breach reports could correlate to a stronger perception of marketplace stability among consumers.
b) Total number of unique phishing reports	Anti-Phishing Working Group quarterly phishing attack trends (or other) reports <sup>2</sup>	A smaller number of phishing reports could correlate to a stronger perception of stability in the gTLD space.
c) Number of registry service-level compliance issues per TLD detected per calendar month <sup>3</sup>	ICANN's SLA monitoring system	A smaller number of service-level compliance issues detected could correlate to a stronger perception of marketplace stability among consumers.