ICANN has proposed the creation (and enforcement) of a system of Label Generation Rulesets for second level labels to describe the characters allowed and rules applied for a particular language across all registries.  Verisign believes that this proposal is not well aligned with some of ICANN’s larger goals for the domain name marketplace.

* **Feasibility of ICANN implementing Label Generation Rulesets for the second level**
	+ This proposal positions ICANN to be the de facto standard maker and authority for the written word online. This seems counter to ICANN’s stated goals for the domain name marketplace and outside of ICANN’s mandate.
	+ Languages are not static and differ geographically, however ICANN is proposing to create single static Rulesets for languages.  The processes required to document and apply language rules over time even if managed by an agile bureaucracy may serve to slow the change of languages, and hinder communication online.
	+ Much of the work and standards that exist today around IDNs has been done through the IETF. Verisign feels that if ICANN wants to work on improvements to the IDN standards that exist today, it should be done through an appropriate standards body, rather than as an ICANN staff initiative.
	+ In the overview it is indicated that this initiative is being undertaken at the request of the community. Can you please provide details around who in the community has requested this and a record of the request(s)?
	+ The proposal indicates that the Rulesets would be generated using the informational draft at <https://tools.ietf.org/html/draft-davies-idntables/>. Verisign questions the use of this format when RFC 4290 is widely adopted and accepted.
* **Domains names are identifiers and will not always be grammatically correct.**
	+ Domains are appropriately described as ‘names’.  Names transcend language.  A good English language example is the FLICKR.COM domain name, a popular image aggregation site.  The word ‘flickr’ is not proper English, and may not conform to any known set of language rules.  But it’s a viable and valuable domain name in the marketplace.  What purpose does it serve ICANN or the community to eliminate FLICKR.COM and other domains that may not be linguistically valid?  Pursuing Label Generation Rulesets seems like a distraction from ICANN’s more worthy goals for the domain name marketplace, such as ensuring security and stability, and fostering innovation and competition.
* **Implementation of Label Generation Rulesets (as currently proposed) will reduce competition among registries.**
	+ Competition between registries ensures that consumers can choose from a broad set of options and services in the domain name marketplace.  ICANN’s proposal will reduce competition by preventing registries from offering a variety of characters or rules.  Obviously, it’s important that registries prevent confusing registrations.  But ICANN has always allowed registries to support a variety of non-confusing registrations which has served to foster competition.  ICANN should continue its original policy in support of competition that has helped create a vibrant domain name marketplace.
	+ As an example, some registries may choose to compete with other registries for Chinese Language registrations by supporting certain rarely used Chinese Unicode code points.  Provided that these code points are valid Chinese characters, and do not create confusion, this competitive practice will serve consumers in a positive way.