

Mr. Paul Twomey
President and CEO
Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina del Rey, CA 90292-6601
USA

Re: Demand Media's Comment on Module 2

Dear Mr. Twomey:

This RFP will initiate the first truly open round of TLDs since ICANN was established ten years ago. We believe these TLDs will inject innovation, investment, and new competition to the DNS to the strong benefit of consumers, businesses, Governments and the DNS itself.

Some have asked why we need new TLDs at all, suggesting that consumers are not clamoring for them. We think such arguments display a misunderstanding of the nature of innovation. The most productive and beneficial developments in science and business have rarely been the result of broad public demand for a specific development. Rather, the very concept of innovation means that most people did not think of the idea until after its introduction.

We are reminded of the introduction of FM radio when some questioned the need for change on the grounds '*we already have radio*', since AM already existed. We believe just as FM and its following technologies resulted in higher quality service and choice for consumers, new TLDs will also begin a second phase of innovation and service improvement for DNS users.

We also think it is illogical to argue against TLDs because they might result in consumer confusion. Using this approach we would stop all new services and brands in other industries. No one can predict what improvements will come as a result of new TLDs and the products bundled with them, but history indicates there will be improvements. The process of achieving this innovation will not be a free-for-all. ICANN has balanced innovation with strong contractual and technical safeguards to protect registrants and trademark holders, and to ensure DNS security and stability.

This RFP has been in development a long time. Over the past months and years there has been a huge amount of input, discussion and study resulting in the document we now all see. We believe the document is a very well crafted synthesis of the inputs received. It proposes strong and practical solutions to the many issues raised during the process.

We think the RFP is solid in almost all respects and we encourage ICANN to not let perfection become the enemy of good. We encourage the timely review of comments on this current draft, prompt issue of the final version and swift progress to the bid submission phase. In particular, we recommend the four month 'global communications campaign' start concurrent with issue of the next RFP draft (planned for February 2009). Some argue that this communications campaign should not start until after the RFP is finalized in May 2009. We believe this would unnecessarily delay the process by four months, as well as denying the audience for the campaign an opportunity to meaningfully comment on the RFP.

Failure to stick with a Q2 2009 commencement for application submission will put some of the anticipated competition and innovation benefits to consumers at-risk. Like many others we have investors and business plans that rely on timely implementation of this process.

Comments on Module 2

2.1.1.1 String Confusion Review

Standard for String Confusion – “String confusion exists where a string so nearly resembles another visually that it is likely to deceive or cause confusion. For the likelihood of confusion to exist, it must be probable, not merely possible that confusion will arise in the mind of the average, reasonable Internet user. Mere association, in the sense that the string brings another string to mind, is insufficient to find a likelihood of confusion”.

The RFP applies a high standard here, which we believe encourages competition and consumer choice. We do not believe consumers will be confused by synonyms, or by words presented in different scripts. We believe .CARS and .AUTOS, for example, will not confuse consumers and that the presence of these two TLDs would be good for consumer choice. Such confusion does not occur at the second level (e.g. www.cars.com and www.autos.com both operate without apparent consumer confusion) so we believe the same principle will apply at the TLD level.

Attachment to Module 2 Evaluation Questions and Criteria:

Q28. Registry Services

We think this question should be more precise about what constitutes a registry service subject to the RSTEP and its \$50,000 review fee. For example, we assume that any service currently performed by an existing registry (including those services approved here - <http://www.icann.org/en/registries/rsep/>) would not be subject to RSTEP. Is this a correct assumption? Similarly, we assume that a new business rule unrelated to security or stability (e.g. no six character names may be registered at the second level) would not be subject to RSTEP. We request more clarity on this issue.

Attachment to Module 2 Evaluation Questions and Criteria

Q31. Legal Rights of Others

The ‘Question’ and ‘Criteria’ portions describe ‘rights’ broadly. They are not limited to intellectual property rights but address ‘*abusive registrations and other practices*’ in general. However, by making ‘*registry start-up*’ the pass threshold for a ‘1’ score, and by referencing ‘*beyond UDRP protections*’ the ‘Scoring’ portion implies IP rights are the focus of this Question. Can you please provide more clarity on the type of rights that must be protected at start-up to score ‘1’.

Attachment to Module 2 Evaluation Questions and Criteria
Q44. EPP

We believe RFCs 3730 through 3734 have been updated by RFCs 4930 through 4934.

Attachment to Module 2 Evaluation Questions and Criteria
Q50. Financial Projections

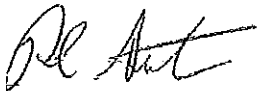
The question refers to an '*attached table of numbers*' but this table seems to have been omitted.

Attachment to Module 2 Evaluation Questions and Criteria
Q59. Continuity

The note to the 'Scoring' portion states "*In addition to the scoring below, applicant must satisfy the requirements to achieve a 3 or 4 in scoring as a prerequisite to delegation*". As there is no score of "4" should this read "*a 2 or 3 in scoring*"?

Also, to achieve a score of '3' or '2' three requirements are described – "*bond or other financial instrument*", "*formal back-up services agreement*" and "*other financing arrangement*". We think these requirements are presented as 'OR' alternatives. Can you please make explicitly clear whether or not any one of these requirements satisfies the scoring.

Regards,



Paul Stahura
Chief Strategy Officer
Demand Media, Inc.



Richard Tindal
Senior Vice President, Registry
Demand Media, Inc.