



Via Email

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RySG's proposed Continued Operations Fund ("COF").

MARQUES is the European Association of Trade Mark Owners. Marques represents trade mark owners across Europe who together own more than three million domain names (a conservative estimate). These domain names are relied upon by consumers across Europe as signposts of genuine goods and services. Marques brings together professional practitioners in trade marks and branding in the Member States of the European Community.

Statement of Concern

It is sound commercial sense for every potential applicant for a new registry to estimate the costs of "Critical Registry Functions" defined as the maintenance of DNS Resolution, a Shared Registry System, Whois, Data Escrow and maintaining a DNSSEC Signed Zone.

If a potential applicant for a new gTLD registry is not sufficiently credit-worthy to obtain a Letter of Credit to cover these costs for three years, MARQUES believes that the potential applicant should refrain from applying until the second round. At risk are registrants and the credibility of the new gTLD programme: no-one in the ICANN community wants to see failing registries.

The proposal for a COF is of concern to MARQUES for three reasons:

- It encourages organisations who may not be credit-worthy to participate in the new gTLD programme
- It places ICANN perilously close to being an insurance provider – which is not part of ICANN's Mission or Purpose and may even place ICANN in conflict with the authorities that regulate insurance markets
- It pushes up the costs of well-run, credit-worthy organisations which can obtain Letters of Credit

As an alternative, there is nothing to stop the sponsors of the COI concept from using their financial status to under-write or guarantee support for organisations that require it with which they have a commercial relationship.

ICANN's Letter of Credit solution was developed over four years and six editions of the Applicant Guidebook. MARQUES is very concerned that the COF idea is a hasty, last minute idea that introduces unnecessary risk into the new gTLD process that also pushes up the cost of well-funded applicants and ICANN.

Yours sincerely,

The MARQUES Cyberspace Team

Submitted for the MARQUES Cyberspace Team by Nick Wood, Council Member of MARQUES.

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