

7<sup>th</sup> March 2013

**Re : 'Closed generic TLDs' and .cloud**

On behalf of OpenForum Europe (OFE) I am writing to express concern over applications for the private, exclusive ownership of some closed generic TLDs. We believe that this could represent a threat to the openness and freedom of the ICT market and could have harmful consequences for IT users worldwide.

OFE has been prominent across Europe for its support of an open, competitive ICT market for users. We have been strong advocates of the use of openness, notably the use open standards, in order to prevent further lock-in to single supplier solutions. A number of studies have reflected on the economic and innovative disadvantage that Europe has suffered as a result. A recent report from the Commission has estimated this to be in the order of €0.7 to €1.4 billion per year in the public sector alone.

Within ICT from the very start - and with great success - the Internet was built on the principle of openness : open standards, open access, and freedom from restriction allowing innovation for all. This should continue to be the case if we are to avoid the dangers of regressing to locked-in, closed systems stifling innovation. Cloud Computing is a nascent market with a growing impact on both suppliers and users, and as a major discontinuity has the potential to both accelerate the growth in innovation through openness as exemplified by the Internet, or an opportunity to re-insert bad practice through lock-in to single dominant suppliers. Governments nationally and the recent Commission Communication on Cloud Computing all support many common core principles including those of it being 'competitive, open and secure' and see interoperability, portability and reversibility as key concepts.

OFE is concerned that there seems to be very little general awareness about the proposed changes to the gTLD registry and would encourage efforts for a wider debate on this issue to take place. In particular we believe there has been insufficient discussion between ICANN, Governments and the Market to identify those gTLDs which are sensitive - in that allocation to an individual commercial company which could have an adverse effect on competition and development of that market. Exempting applicants from ICANN's Registry Operator Code of Conduct without restriction a single company could be positioned to potentially gain unfair advantage by setting up barriers to entry for would-be competitors, or could re-establish the 'lock-in' that has cost the user so dearly in the past. Furthermore, since the registry agreements allow unlimited automatic renewal in ten-year terms, control could continue in perpetuity.

By example, in the case of **.cloud**, we would suggest that allowing a single company to act as sole registrar and registrant not only acts in direct counter to all the openness fundamentals of the Internet, upon which Cloud Computing is directly dependent, but that it will potentially allow that company to

restrict its usage only to its sole benefit or to selected companies which are willing to pledge support to a particular choice of software platform or approach promoted by the **.cloud** owner. We believe that this could quickly lead to a single dominant supplier initiating controls (under the guise of marketing) which would be seen as anti-competitive, particularly to SMEs, upon whom local success, 'Cloud' will be dependent.

We should be supporting choice and competition, not working against it.

OFE would recommend that further discussion is held to identify and agree the forward plan for sensitive gTLDs such as **.cloud**. Under ICANN's rules, we can identify two alternative mechanisms. Either ICANN needs to develop a means of defining sensitive generic strings and all "closed" applications for these strings be rejected. Or in the case of a sensitive string an alternative management approach is taken that is a catalyst for growth in that market, benefiting not just the operator but the market, and which respects the objectives of 'open, competitive, choice'. We would suggest that a viable and possibly alternative option for example in the case of **.cloud** would be to place it under the control of an independent organisation, free from the risk of exploitation by any one company, and indeed use it as a positive contributor and catalyst to growth and the ongoing openness of the Cloud Computing market.

We would welcome further discussion at any time, and have widely copied this letter to the key senior officials in the European Commission, the European Parliament, national EU governments, the W3C including Sir Tim Berners-Lee, and some of your US colleagues. We will also be placing it on our website as an open letter.

Sincerely,

**Graham Taylor**  
**Chief Executive**  
**OpenForum Europe**

**Note:**

OFE is independent, not-for-profit, and supported by both major corporations, SMEs and has a network of supporting nationally based organisations across Europe. OFE participates fully in European Commission initiatives, sits in the Cloud Cloud Industry Working Groups and is an invited member of the Multi Stakeholder Platform on Standards.

OFE acknowledges all the input received from its members and partners in the compilation of this document. However, OFE does not seek to represent any specific community nor present its opinions as being unanimously supported by its full membership