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To
New gTLD Program Committee

Berlin, 18 April 2012

New gTLDs; here: Batching, Secondary Timestamp and the Global Public Interest

Dear members of the New gTLD Program Committee,

we write to you today to express our concern regarding the batching procedure proposed by ICANN.
As you are aware, ICANN intends to process an estimated 2,000 applications for new gTLDs in separate batches of 500 applications each. These batches will be processed one after another but the timeframe for this has not been set yet. ICANN also allows only 1,000 delegations of new gTLDs to enter the root per year. This could mean that a gTLD application may be processed and delegated to the root with a delay of alltogether up to 1.5 to 2 years, not taking into account further individual delays based on contention and objection procedures.

It is certain that such a delay means a substantial detriment to many applicants. It is expected that some gTLDs will be insolvent before having finalized the initial evaluation in a late batch or being delegated to the root. This primarily affects small generic gTLDs as well as geographic and community gTLDs since many business models have been built on a launch in early or mid-2013. The brand gTLDs may also be affected negatively, not financially, but in terms of competitiveness, for instance if Nike gets its gTLD long before Adidas.

Gaming Scenarios

"Gaming the system" has been a concomitant phenomenon of domain name allocation procedures since a decade, whether on the second level or on the top-level. This ranges from .eu phantom registrars, registrars selling their queues to the highest bidder (.de 1 and 2 letter allocation), the .biz lottery disaster, locating Sunrise query servers physically next to the allocation servers up to automated high-speed scripts for catching expired domain names. The result was in each case that a few "clever" parties got nearly all the most valuable domain names.

Exactly all of this is expected to happen with the planned new gTLD batching procedure. The players have already formed up and offer millisecond-clicking in order to get a place in the first batch for USD 25,000.

Some applicants have been offered a competitive application clone in order to increase chances at the batching procedure and some of those who will file up to 50 applications with the same entity are already prioritizing between own and customers gTLDs for money.

Taking these activities into account, we expect that the first and probably a part of the second batch will be populated up to 70% with generic .com clone standard applications. They will come from a few technically well-equipped domain investors that apply for dozens of strings like .web, .shop, .wine, .beach, .horse and many more. Additionally we will see 30% of those strings in batch one where multiple applications have been filed and one of the applicants has shot its digital arrow properly and lifts the whole contention set for the same string into the first batch.

Most of the applicants outside the US, especially small language and culture communities which have a tight budget anyway, can not afford high-tech clicking machines and will be pushed aside to a much later batch. Geographic and community gTLD applicants with public interest support of governments and communities may also not be perfectly equipped with the latest digital arrow models.

Protect the Global Public Interest

We urgently ask you to not sit back and watch how the achievements and safeguards for geographic gTLDs, the applicant support program and other public interest provisions in the Applicant Guidebook are watered down by a crude digital archery system which clearly privileges domain investors from the developed world.

Some ideas have already been circulated, such as the one giving applicants with a single application preference over those who apply for up to 50 strings with the same entity. Another approach could be to incorporate the different categories of applications in a fairly balanced manner in the global public interest.

Please put this topic on your agenda with urgency to ensure equal opportunities to all applicants!

Sincerely

Dirk Krischenowski
Founder and Managing Director