APPENDIX S

PART 1.
DOTXXX CHARTER

This sTLD Charter (the "Charter") identifies (a) the purposes for which the .xxx sTLD (the "sTLD") is delegated, and (b) the community to be served by its delegation.

Subject to Registry Operator's compliance with this Registry Agreement, including all attachments and appendices thereto (the "Agreement") and any Temporary Specifications or Policies or Consensus Policy as defined in the Agreement:

1. The sTLD will serve the responsible global online adult-entertainment community ("Community"), generally defined as:

   a. Those individuals, businesses, and entities that provide online, sexually-oriented adult entertainment ("Online Adult Entertainment") intended for consenting adults or for other community members ("Providers"),

   b. Organizations that represent Providers ("Representatives"), and

   c. Their vendors, service providers, and contractors ("Service Providers").

The term "Adult-Entertainment" is intended to be understood broadly for a global medium, to include those websites that provide Adult Entertainment (as defined above), operated by webmasters who have voluntarily determined that a system of self-identification would be beneficial.

2. The sTLD will be managed in accordance with the provisions of the Agreement, including, without limitation, the provisions of Part 8 of this Appendix S.

APPENDIX S

PART 2.
DELEGATED AUTHORITY

Subject to Registry Operator's compliance with this Registry Agreement, including all attachments and appendices thereto (the "Agreement") and any Temporary Specifications or Policies or Consensus Policy as defined in the Agreement, and provided the scope of the Charter is not exceeded:

Registry Operator shall have delegated authority to develop policy for the sTLD in the following areas:

Product Management

1. Establishment of domain naming conventions to be used in the sTLD.

2. Functional and performance specifications for Registry Services, other than those specified in Appendix 7 of the Agreement.

3. Consistent with any condition under which a Registry Service has been approved, management responsibility for all Registry Services and products, including but not be limited to:

   a. Variations, modifications, or extensions of Registry Services that do not represent material changes to a previously approved Registry Service.

   b. Changes to policies and restrictions associated with or necessitated by approved Registry Services as outlined in Clauses 6, 7 and 8 below.

   c. Pricing.

   d. Promotions and promotional products, packaging or pricing.

   e. Branding, naming, or other marketing activity.

   f. Modification of deployment timelines, rollout plans, and implementation details for approved Registry Services.

   g. Withdrawal and suspension of all but basic Registry Services (second level registrations); provided, however, that obligations with registrants existing at the time of the withdrawal or suspension are honored.

4. Reservation of names to be offered for registration other than on a first-come, first-served basis and creation of the policies and procedures under which such names may be registered.

5. Identification and reservation of names that are not available for second level registrations and as to which third level names will be offered for registration to end users, as well as developing the terms and conditions under which such registrations shall be offered.

<u>Restrictions on Registration and Policies for Use of Domain Names</u>

6. Reservation of names to be withheld from reservation in the sTLD (in addition to those names reserved by ICANN and set forth in a schedule by ICANN).

7. Policies regarding eligibility to register a domain name in the sTLD, which need not be uniform for all names within the sTLD.

8. Restrictions and policies on how registered names may be used, which need not be uniform for all names within the sTLD, and which may vary, for example, by type, name, or registrant category.

9. Establishment of policies applicable to registrants and/or registrars related to information, products, services, end-user addressing, operations, eligibility verification, and registration procedures within the domain, consistent with industry and technology standards and practices.

<u>Operational Policy and Performance Management</u>

10. Except as specifically set forth in the Agreement, matters related to operation of the registry and the sTLD, including, without limitation:

    a. Performance of eligibility and name-selection services (ENS) either directly by the Registry Operator or by one or more organizations or individuals to which it delegates the responsibility for performing such services;

    b. Operational capability decisions, including location, staffing, organization structure, capital expenditure, suppliers and, consistent with ICANN approved policies related to selection and management of ICANN-Accredited Registrars, distribution and promotional channels;

    c. Other operations-related processes and procedures, including but not be limited to:

        i.   Internal operations of the Registry Operator;

        ii. Registry/Registrar relations and channel management, including the terms and conditions contained in the registry/registrar agreement;

        iii. Terms and conditions required to be included in the end-user registration agreement;

        iv. Articulation and management of the relationship between Registry Operator and IFFOR, and establishing the terms and conditions under which they interact;

        v.   Mechanisms for resolution of disputes between owners of rights in names (such as trademarks) and registrants;

vi. Mechanisms for enforcement of registration restrictions and policies; and

vii. Provisions for publication of registry and registrar data.

<u>Other</u>

11. Any other policies or practices not inconsistent with the Agreement, ICANN Temporary Specifications and Policies, or Consensus Policy.

APPENDIX S

PART 3.
DESCRIPTION OF THE sTLD COMMUNITY

Subject to Registry Operator's compliance with this Registry Agreement, including all attachments and appendices thereto (the "Agreement") and any Temporary Specifications or Policies or Consensus Policy as defined in the Agreement, and provided the scope of the Charter is not exceeded:

The TLD Community will consist of the responsible global online adult-entertainment community ("Community"), generally defined as:

  a. Those individuals, businesses, and entities that provide Adult Entertainment intended for consenting adults or for other community members ("Providers"),

  b. Organizations that represent Providers ("Representatives"), and

  c. Their vendors, service providers, and contractors ("Service Providers").

The term "Adult-Entertainment" is intended to be understood broadly for a global medium, to include those websites that convey Adult Entertainment, operated by webmasters who have voluntarily determined that a system of self-identification would be beneficial.

Interested stakeholders, including individuals and entities concerned about child safety, free expression, and data privacy ("Other Stakeholders") are not part of the sponsored community, but will play an important, formal role in the IFFOR policy development process.

Registry Operator may modify and/or expand the description of the sTLD Community, consistent with the Agreement, to reflect change and development in the provision of online Adult Entertainment.

APPENDIX S

PART 4.
START-UP PLAN

Subject to Registry Operator's compliance with this Registry Agreement, including all attachments and appendices thereto (the "Agreement") and any Temporary Specifications or Policies or Consensus Policy as defined in the Agreement, and provided the scope of the Charter is not exceeded:

Registry Operator will implement the start-up plan shown in 4.1 below. In doing so, Registry Operator will provide for the introduction of the sTLD in an orderly, transparent and logical way, ensuring competition, fairness and reliability for ICANN Accredited Registrars, registrants the Community and other stakeholders.

4.1 Start-up Plan

Date	Event
Date Contract Signed (DCS)	• Contract execution by ICANN, Registry Operator • IFFOR Board creation process begins • Back end provider contract signed • System build begins
DCS + 30 Days	• Draft ICM/IFFOR Agreement provided to ICANN • Procedures for registering .xxx names published • Draft authentication and verification procedures provided to ICANN • IFFOR CEO Named • IFFOR Board Named • SO formation coordinators announced • Industry Reservation materials provided to ICANN accredited registrars • Ombuds service in place

DCS + 60 Days	• Authentication and verification procedures published
	• Draft ICM/IFFOR Agreement published
	• Start Up Trademark Opposition Process (STOP) commences
	• IFFOR Board Meets
	• "Town Hall" meetings - IFFOR Board/CEO to meet with stakeholders groups
	    o gather policy input
	    o initiate SO formation

	• Stakeholders' views statement developed
	• Mechanism for Governmental identification of Culturally Significant Names provided to ICANN
	• Country name and geographic designators reserved listprovided to ICANN
	• Policy for Premium Names and names allocated on other than first come/first provided to ICANN
	• Registrar agreements published and offered
	• Pre-launch authentication of registrants begins
DCS + 90 Days	• Progress Report #1 published
	• Publication of Premium Names Policy and Country Names and Geographic Designators List
	• IFFOR Board representative(s) and CEO round table with interested GAC members (or next ICANN meeting)
	• Mechanism for Governmental identification of Culturally Significant Names Provided to GAC
	• Draft Statement of Initial Registrant Requirements (SIRR) provided to ICANN
	• Stakeholder review of draft SIRR
	• Enhanced UDRP procedures, including abusive registration provisions provided to ICANN
	• System Test (OT&E) begins
	• Registrar integration begins
DCS + 120 Days	• SIRR published
	• Enhanced UDRP procedures, country name and geographic designator list published
	• Mechanism for Governmental identification of Culturally Significant Names published
	• IFFOR registration policies announced and published
	• Registrant agreements (including draft SIRR) published
DCS + 150 Days	• SIRR adopted by Board
	• System Testing complete
	• STOP ends

	• Premium Name Auction/Allocation on other than first come/first served basis begins • Contract with 3rd party provider of child pornography monitoring service in place • Contract with 3rd party provider to monitor compliance with labeling obligations in place • Limited Launch Registrations begin (60 day window) through ICANN Accredited Registrars • Progress Report #2 published (DCS + 180)
DCS + 210 Days	• General registration begins through ICANN Accredited Registrars • SO formation completed
DCS + 240 Days	• Further product and services launch schedule published • Grants Advisory Committee constituted • Progress Report #3 published
DCS + 360 Days	• Progress Report #4 published • SIRR Adequacy Assessment published • First round grants and sponsorships announced

Products and services

Registry Operator intends to make the products and services described in **Attachment 1** hereto available to registrants.

In accordance with the Agreement, Registry Operator may offer additional or modified Registry Services (as defined in the Agreement).

Registry Operator reserves the right to introduce mini start-up plans for new products and services similar to the above-described initial Start-up Plan. These plans will include appropriate testing periods and service validation for the interface with Registrars and registration process.

PART 5.
SELECTION OF REGISTRARS

Subject to Registry Operator's compliance with this Registry Agreement, including all attachments and appendices thereto (the "Agreement") and any Temporary Specifications or Policies or Consensus Policy as defined in the Agreement, and provided the scope of the Charter is not exceeded:

Registry Operator will select ICANN-accredited registrar(s) that wish to enter into an agreement to register .xxx domain names (the "Registry-Registrar Agreement"). As part of the selection process, Registry Operator will evaluate each registrar on a case-by-case basis, weighing the following characteristics:

Selection of Registrars

    I.   Understanding of the Community to be supported by the sTLD

   II.   Thorough understanding of the principles and intentions underlying the .xxx registration policies.

  III.   Geographic and language diversity reflecting the diversity of the Community in its region;

  IV.   Dedicated willingness and ability to propagate and enforce sTLD policies in an observant and diligent manner and in accordance with policies and procedures prescribed by Registry Operator.

   V.   Demonstrated willingness and ability to publicize and market the .xxx TLD, and to use .xxx TLD marketing materials as appropriate.

  VI.   Willingness and ability to post and refresh a minimum deposit against which fees will be drawn.

 VII.   Demonstration that sufficient staff resources are available and ability to interface with automated and manual elements of the .xxx TLD registry process.

VIII.   Demonstrated systems designed to avoid submission of clearly inappropriate applicants that will over-tax the .xxx TLD authentication system.

  IX.   Demonstrated systems designed to avoid any disputes regarding transfers among registrars.

Registry Operator will determine the initial number of ICANN-Accredited Registrars to be selected and, in collaboration with the sTLD Community, will review and revise its selection of registrars and registrar criteria from time to time as appropriate.

PART 6
PUBLIC WHOIS SPECIFICATION

Subject to Registry Operator's compliance with this Registry Operator TLD Registry Agreement, including all attachments and appendices thereto (the "Agreement") and any Temporary Specifications or Policies or Consensus Policy as defined in the Agreement, and provided the scope of the Charter is not exceeded:

Registry Operator will implement the following public WHOIS specification:

PURPOSE

Provision of a WHOIS database for the sTLD will assist registrants and appointed contact persons for associated registrations to protect their rights to use the registered domain names.

SPECIFICATION

Subject to any future policy regarding WHOIS data adopted by ICANN, domain name registrants will be required to provide correct contact information and, as permitted by applicable law, consent to selected information being made public for legitimate purposes.

A participating registrar, at the registrar's expense, will be required to provide those wishing to query the WHOIS database (other than for marketing purposes or other purposes contrary to sTLD policy) with access to complete and up-to-date data for each registered domain name record (subject to applicable privacy policies) including, but not limited to the following:

• Domain name and the TLD in which the domain name is registered;

• Status of the domain name, e.g., "on hold" or "pending delete";

• Registrant's name and postal address;

• Administrative/technical contacts' name, postal address, e-mail address, telephone number and (if any) facsimile number;

• Original Create Date, expiration date and date on which the database was last updated;

• Internet Protocol addresses and corresponding names of primary and secondary

• Name servers for the domain name; and

• Registrar's identification information.

In order to assist complainants under the UDRP to determine whether a pattern of "bad faith" has been demonstrated by a particular registrant, the information set forth above will be available on a publicly accessible database, subject to applicable privacy policies, which will be searchable by domain name, registrant's name, registrant's postal address, contacts' names, Registrars Contact IDs and Internet Protocol address without arbitrary limit. In order to provide an effective WHOIS database, Boolean search capabilities may be offered.

Registrars will be required to participate in the operation of a cross-registry WHOIS database, which will provide searching capabilities and access to all information concerning domain name registrations regardless of which TLD the domain name is registered in or which registrar processed the domain name application.

Registry Operator will require the registrars to adhere to a compliance review policy. As part of that policy, each registrar will be required to designate a contact point to which evidence of false or fraudulent contact data may be reported. Registrars will institute procedures for investigating claims that registrations may contain false information, and for registrations found to contain false information, requiring their speedy and efficient correction, or otherwise cancellation. Interested third parties may invoke these procedures.

Registry Operator will provide RFC954-conformant WHOIS service. This Appendix is subject to change by agreement of Registry Operator and ICANN during the design process as well as during the IETF standards process. However, the following provides the target architecture and initial functionality. In addition, Registry Operator agrees to implement changes to this Appendix specified by ICANN to conform to IETF provreg working group's protocol specification no later than 135 days after the IETF specification is adopted as a Proposed Standard [RFC 2026, section 4.1.1].

RFC954-Conformant WHOIS

The standard WHOIS service is intended as a lookup service for registries, registrars, registrants, as well as for other individuals and businesses that wish to query details of domain names or nameservers stored in the registry. The standard WHOIS service will provide a central location for all authoritative .XXX TLD data. The registry provides a front-end web interface to allow convenient user access to the WHOIS service.

The RFC954-conformant WHOIS service will be engineered to handle moderate transaction load and be integral to the standard suite of Registry Services. The WHOIS service will return a single response per domain name or nameserver query. The RFC954-conformant WHOIS service will conform to the requirements of Appendix 5.

The RFC954-conformant service provided by the registry will have the following features:

- Standard protocol accessible over port 43.

- Batch-style or near real time updates.

- Additional fields capability.

- WHOIS Service Data Elements

WHOIS Service Data Elements

The RFC954-conformant service will include the following data fields:

- The name of the domain name registered;

- The IP addresses of the primary nameserver and secondary nameserver(s) of the name registered, if applicable, and the corresponding names of those nameservers;

- The identity of the Sponsoring registrar;

- The original creation date and term of the registration;

- The name, postal address, e-mail address, voice telephone number, and (where available) fax number of the domain name registrant;

- The name, postal address, e-mail address, voice telephone number, and (where available) fax number of the technical contact for the name registered;

- The name, postal address, e-mail address, voice telephone number, and (where available) fax number of the administrative contact for the name registered

The display order of the fields in the various Whois objects will be changed at the discretion of the Registry Operator.

Minimum Data Update Frequency

Registry Operator shall make reasonable efforts to update the data continuously as requests are processed, in a matter of seconds or minutes. The typical update cycle will be 30 seconds but may be different depending on performance considerations. Registry Operator shall ensure that records in the WHOIS server are updated no later than 24 hours after the completion of the registration or modification transaction with the registrar.

Additional Fields Capability

If necessary, Registry Operator may introduce some additional fields to the list of WHOIS fields. Those fields will be preceded and identified by appropriate tags.

Privacy Capability

Registry Operator may introduce the optional ability to associate privacy labels to a record in the Registry Database. These fields would appear in an "additional information" section of the WHOIS data. The maximum number of custom fields allowed per record is yet to be determined. The privacy label capability allows certain data to be associated with an indication of any special disclosure or handling restrictions. This characteristic may be used e.g. to comply with potential legal or regulatory obligations.

Query Control - Object Type Control

The following keywords restrict a search to specific object type:

- Domain: Search only by domain objects. The input string is searched in the Name field.

- Contact: Search only contact objects. The input string is searched in the ID field.

- Nameserver: Search only by nameserver objects. The input string is searched in the nameserver field or the IP address field.

- Registrar: Search only registrar objects. The input string is searched in the Name field.

By default, if no object type control is specified, then the Name field of the Domain object is searched.

WHOIS Output Fields

Domain Record:

A WHOIS query that results in domain information will return the following fields from the Domain object and the associated data from host and contact objects. This set of data is also referred to as the Domain Record.

Domain ID
Domain Name
Domain Status
Sponsoring Registrar (IANA-assigned identifier) and name of Registrar
Registrant, Administrative, Technical Contact Information including:
> Contact ID
> Contact Name
> Contact Organization
> Contact Address, City, State/Province, Country
> Contact Postal Code
> Contact Phone, Fax, E-mail

Names of Nameservers associated with this domain
Additional fields (Registry Operator specified, will be defined later, if required)
Create Date
Domain Expiration Date
Domain Last Updated Date

Nameserver Record:
Nameserver ID
Nameserver name
Currently Associated (true/false)
Nameserver status
IP address (if applicable)
Sponsoring Registrar (IANA-assigned identifier)
Create Date
Last Updated Date
Additional fields
Note: Any additional fields will be Registry Operator specified, to be defined later if required.

Contact Record:
A WHOIS query that results in contact information will return the following. This set of information is referred to as the Contact Record.
Contact ID
Contact Name
Contact Organization
Contact Address, City, State/Province, Country + 3 street fields
Contact Postal Code
Contact Phone, Fax (if available), E-mail
Create Date
Contact Last Updated Date

Currently Associated
Contact Status
Additional fields (Registry Operator specified)
Sponsoring Registrar (IANA-assigned identifier)

Registrar Record:
A WHOIS query that results in registrar information will return the following. This set of information is referred to as the Registrar Record.
Registrar ID (conforming to the IANA registrar-ids registry)
Registrar Name
Registrar Status
Registrar Address, City, State/Province, Country
Registrar Postal Code
Registrar Phone, Fax, E-mail
Registrar Administrative Contacts
Registrar Technical Contacts
Registrar Billing Contacts

Sample WHOIS Output

This section provides sample output from the WHOIS server for each type of Registry Object: Domain, Contact, Nameserver, and Registrar. The output is structured as key/value pairs, which simplifies machine-readability. In the Input section, the quoted string represents the string actually passed to the server in the request packet.

Domain Record:
Input: WHOIS "domain = billing.xxx"
Output: Domain ID: AAA-0001
Domain Name: BILLING.XXX
Sponsoring Registrar: XYZ Registrar, Inc. (REG-01)
Domain Status: ACTIVE
Registrant ID: PER-00001
Registrant Name: JOHN DOE
Registrant Organization: BILLING, LTD
Registrant Address: 100 elm street
Registrant City: ANYTOWN
Registrant State/Province: ANYSTATE
Registrant Country: UK
Registrant Postal Code: GU1
Registrant Phone Number: +44-20-123-4567
Registrant Facsimile Number: +44-20-123-4568
Registrant Email: JDOE@BILLING.XXX
Admin ID: PER-00002
Admin Name: JOHN DOE
Admin Organization: BILLING, LTD
Admin Address: 100 elm street
Admin City: ANYTOWN
Admin State/Province: ANYSTATE
Admin Country: UK
Admin Postal Code: GU1

Admin Phone Number: +44-20-123-4567
Admin Facsimile Number: +44-20-123-4568
Admin Email: JDOE@BILLING.XXX
Tech ID: PER-00002
Tech Name: JOHN DOE
Tech Organization: BILLING, LTD
Tech Address: 100 elm street
Tech City: ANYTOWN
Tech State/Province: ANYSTATE
Tech Country: UK
Tech Postal Code: GU1
Tech Phone Number: +44-20-123-4567
Tech Facsimile Number: +44-20-123-4568
Tech Email: JDOE@BILLING.XXX
Name Server: NIC.XXX.ORG
Name Server: WWW.ICOM.ORG
Created On: 2002-01-02
Expires On: 2004-01-02
Updated On: 2002-03-02

Nameserver Record:

Input: WHOIS "nameserver nic.billing.xxx" or WHOIS "nameserver 130.242.24.6"

Output:
Nameserver ID: HST-1
Nameserver name: NIC.BILLING.XXX
Currently Associated (true/false): T
Nameserver status: ACTIVE
IP address: 130.242.28.6
Sponsoring Registrar: XYZ Registrar, Inc. (REG-01)
Created On: 2002-01-02
Updated On: 2002-03-02
Additional fields (Registry Operator specified, will be defined later, if required)

Contact Record:

Input: WHOIS "contact = PER-00002"

Output: Contact ID: PER-00002
Name: John Doe
Organization: Registrant, Inc.
Address: 100 ELM STREET
City: ANYTOWN
State: ANYSTATE
Country: UK
Postal Code: GU1
Phone Number: +44-12-345-6789
Facsimile Number +44-98-765-4321

E-mail: JDOE@BILLING.XXX
Status: Active
Sponsoring Registrar: XYZ Registrar, Inc. (REG-01)
Created On: 2006-01-01
Updated On: 2006-01-02

Registrar Record:

Input: WHOIS "registrar SAMPLE"

Output: Registrar ID: XYZ Registrar, Inc. (REG-01)
Registrar Name: SAMPLE
Registrar Status: ACTIVE
Registrar Address 1: 123 Some Street
Registrar Address 2:
Registrar City: Acity
Registrar State/Province: RE
Registrar Country: CC
Registrar Postal Code: 12345
Registrar Phone: +11-11-1111-1111
Registrar Fax: +22-22-2222-2222
Registrar E-mail: jdoe@sample.tld
Admin Contact ID: PER-00003
Tech Contact ID: PER-00004
Billing Contact Name: PER-00005

Appendix S
Part 7
ADDITIONAL PROVISIONS

Interpretation

For purposes of this Agreement, and for the avoidance of doubt, Registry Operator and ICANN agree that a material failure by ICANN to comply with the provisions of Section 3.1(d) in accordance with its specific terms shall entitle Registry Operator to pursue all remedies under the Agreement otherwise available to it.

TLD Differentiation

ICANN and Registry Operator acknowledge that criteria included in the application process in which the .xxx TLD was selected, and in the previous TLD application expansion round, was that a new TLD be "clearly differentiated from existing TLDs." ICANN, when undertaking to effect the delegation of new TLDs, shall take into consideration Internet community input received, including any objections interested third parties may have under policy considerations or applicable law or otherwise, regarding the creation of new TLD strings.

Change in Control Transactions

ICANN shall have the right to review in advance any change in Control of Registry Operator resulting in the Control of Registry Operator by any party not originally a member of Registry Operator as of the date of the Registry Agreement. Registry Operator shall provide notice of any proposed transaction or series of transactions (a "Change in Control Transaction") that may have the effect of a change in Control no less than thirty (30) calendar days in advance of such Change in Control Transaction. ICANN shall have twenty-five (25) calendar days to review such Change in Control Transaction, during which period Registry Operator shall provide additional data or information reasonably requested by ICANN. At any time within such twenty-five (25) day period, ICANN may notify Registry Operator that it is concerned that the proposed Change in Control Transaction may materially undermine (i) Registry Operator's compliance with its obligations under the Registry Agreement as amended from time to time, including, without limitation, the Charter and other appendices; or (ii) ICANN's ability to enforce such obligations, or otherwise fulfill its technical oversight and coordination obligations and responsibilities, in which case Registry Operator shall not effect the Change in Control Transaction until such concerns have been resolved. Disputes regarding the reasonableness of ICANN's disapproval shall be resolved in accordance with Article V of this Agreement.

"Control" in this clause shall mean in respect of any person or entity, (a) direct or indirect control of at least fifty percent (50%) of the voting rights eligible in the election of directors, or (b) the power directly or indirectly (i) to elect a majority of its directors or (ii) to cause the direction of its management, whether through share ownership, contract or otherwise, or (c) the direct or indirect ownership or control of all or substantially all of its assets reasonably required for the performance of the Agreement.

Prohibition of Registration Activities by Affiliated Registrar

The ICANN accredited registrar, A Technology Company, Inc., dba namesystem.com ("namesystem.com") (https://secure.namesystem.com/website/home.jsp) is wholly owned by Jason Hendeles of Toronto, Canada. Mr. Hendeles is associated with Hawthorn Corporation, a private holding company owned and operated by the Hendeles family and a shareholder of Registry Operator.

For so long as Jason Hendeles and/or any other entity affiliated with Registry Operator maintains an ownership interest in namesystem.com, Registry Operator agrees that namesystem.com shall not be permitted to act as a registrar for the TLD.

APPENDIX S

**Part 8
Registry Operator's Commitments: Policy Development and Stakeholder
Protection Activities**

TASK 1: General

Registry Operator will:

1. Serve the sponsored community.

2. Permit members of the Community to register names within the sTLD in accordance
    with the sTLD policies.

3. Operate a web site located www.about.xxx to inform prospective registrants about
    registration policies and procedures.

4. Post on www.about.xxx or www.iffor.org or www.icmregistry.com relevant information
    about its activities, procedures and policies, along with meeting minutes and
    information about decisions taken by IFFOR or ICM so that interested members of
    the Community, registrars and others will have an opportunity to be aware of and
    respond to Registry Operator's actions and understand how to participate in the
    sTLD.

5. Directly or, as appropriate and as set forth in the Application, in conjunction with
    IFFOR, establish policies, procedures, and registration requirements for the sTLD,
    including, without limitation, policies, procedures, and registry requirements reflecting
    Registry Operator's commitments contained in the following documents submitted to
    ICANN by the Registry Operator (collectively, the "Documentation"):

    a. Application (Part B) dated 16 March 2004
    b. Responses to Supplemental Questions of the Sponsorship and Other Issues
        Evaluation Team
    c. ICM Letter to ICANN dated 9 October 2004
    d. Memorandum to the Board of Directors dated 2 November 2004; revised 7
        December 2004
    e. "The Sponsored .xxx TLD Proposal: Executive Summary for the ICANN
        Board of Directors;
    f. Presentation to the ICANN Board of Directors (2 April 2005): "The Sponsored
        .xxx TLD: Promoting Online Responsibility; and
    g. ICM Letter to ICANN dated 15 August 2005;
    h. Thinking Outside the Porn Box, Annex B (informational document submitted
        to author by ICM Registry);
    i. Presentation to the ICANN Governmental Advisory Committee (29 November
        2005)

TASK 2: ICM Tasks Related to IFFOR

Registry Operator will facilitate participation of Community members and stakeholders (as defined in the Application) in the International Foundation for Online Responsibility ("IFFOR"), a non-profit self-organizing policy development body for the sTLD in accordance with the policy development process set forth in the Application, including the commitments therein to fund IFFOR (the "IFFOR Commitments") contained in the Application.

In this regard, Registry Operator will:

1. Constitute and provide for the independent operation of IFFOR, as set forth in the Documentation.

2. Submit, within thirty (30) days of the Effective Date of this Agreement, a draft contract between Registry Operator and IFFOR, under which IFFOR will fulfill the Policy Commitments and the Grant-making Commitments and Registry Operator will fulfill its Funding Commitments.

    a. ICANN shall have twenty-five (25) calendar days to review the IFFOR Agreement, during which period Registry Operator shall provide additional data or information reasonably requested by ICANN.

    b. At any time within such twenty-five (25) day period, ICANN may notify Registry Operator of its reasonable concern that the IFFOR Agreement (i) creates a material risk that Registry Operator will not fulfill its Policy, Grant-making, or IFFOR Commitments or (ii) materially undermines ICANN's ability to enforce such Commitments.

    c. Registry Operator, IFFOR, and ICANN shall negotiate in good faith to resolve such concerns prior to the commencement of the Limited Launch (as defined in the Start Up Plan).

    d. Disputes regarding the reasonableness of ICANN's concerns shall be resolved in accordance with Article V of this Agreement.

2. Submit any proposed replacement of IFFOR as the sponsor for the TLD to ICANN in advance, which replacement ICANN <u>may disapprove</u> based on its <u>reasonable concern</u> that the proposed replacement (1) creates significant compliance issues, (2) raises independence concerns, and/or (3) creates a material risk that the policy obligations will not be fulfilled.

3. Provide funding for IFFOR's operations, and for grant-making activities, as set forth in the Documentation by contributing $10 per domain name registration per year to support IFFOR so as to guarantee its operational independence, and support programs approved by the grants committee. Such funding shall be made:

     a. In advance (based on projected registrations), on a non-recourse basis, for IFFOR's initial 12 months of operation, in an amount sufficient to cover IFFOR's start-up costs and obligations; and

     b. On an annual basis thereafter, on a schedule that is sufficient to create and support IFFOR's grants-making/sponsorship, community outreach, and policy development activities as described in the Documentation.

4. Delegate to IFFOR policy formulation with respect to the terms and conditions for registration in the .xxx TLD, including the authority and obligation to:

     a. Create the policy development structure set forth in the IFFOR organization chart

     b. Develop a Declaration of Best Business Practices to be included in the registrar-registrant agreement

     c. Develop business practices to be implemented by Registry Operator to safeguard children online and combat child pornography, in accordance with the policy development processes set forth in the Documentation.

5. Implement best practices to promote child safety and prevent child pornography developed by IFFOR, in accordance with the policy development procedures set forth in the Documentation.

Safeguards: ICM's obligations under this task are straightforward. ICM is obligated to enter into a contract with IFFOR that protects IFFOR's independence, and fund IFFOR ($10 per resolving name).

- The contract will effectuate the delegation of policy making authority and obligate IFFOR's performance.
- ICM's compliance with its funding obligations can be easily determined based on information available to ICANN in the ordinary course.
- IFFOR's policy development processes, structure, etc., are set out in detail in the Documentation.

ICANN Enforcement Mechanisms:

Standard: Specific performance/ fines and penalties available through binding arbitration.

Non-standard: ICANN has the option (but not the obligation) to disapprove the ICM/IFFOR contract. ICM is obligated to provide advance notice of and ICANN has the option (but not the obligation) to disapprove a change in sponsoring organization. Any disputes regarding ICM's compliance with these obligations and the reasonableness of ICANN's exercise of its rights will be resolved through binding arbitration.

TASK 3: ICM Policy Development Obligations

Registry Operator will:

1. Promote the principles set forth in the United Nations Declaration of Human Rights related to free expression and (ii) prohibit child pornography as defined in the United Nations Convention on the Rights of the Child ("UNCRC").

2. Publish a policy prohibiting child pornography, including practices that are designed to appeal to pedophiles or suggest the presence of child pornography on the site.

3. Require registrants to accurately and clearly label their sites, and any site to which a user entering the registrant's site into a browser is automatically redirected.

4. Implement and enforce IFFOR best practices policies, in the manner set forth in the Documentation.

5. Verify prospective registrants as members of the Sponsored Community before being permitted to register a name in the sTLD. The verification process, further described in Appendix 1, will be in operation at least 60 days before Limited-Launch, and will be available thereafter on an ongoing basis. The verification process is designed to establish that a prospective registrant meets the registration criteria. A variety of automated and manual procedures will be utilized for verification, including pre-authentication by designated Authentication Providers (for example, Representative organizations), or a cross check of registration against information held by designated Authentication Providers.

6. In accordance with the Documentation, including Appendix 1 hereto, Implement policies on:

    a. Registration, including: Registrant eligibility; Registrant Authentication; Registrant terms and conditions; Charter Eligibility Dispute Resolution Process (CEDRP); Reserved names and names to be allocated on other than a first-come-first-serve basis.

    b. Mechanisms to prevent, discourage, and address abusive registrations (including STOP, Pre-Registration, etc.)

    c. Whois Verification and Availability (in accordance with Appendix S Part 5, and Appendix 1 hereto.

    d. Proxy Service Standards

7. Draw on domain name registry best practices to create or acquire the rights to use an initial Country and Geographic Designators Reserved List (to be posted no less than sixty (60) days prior to the TLD's Limited Launch date).

8. Provide a mechanism whereby, during a specified period of no less than sixty (60) days prior to the TLD's Limited Launch date, ICANN's Government Advisory

Committee <u>and/or</u> the government of any country or distinct economy participating in the GAC (collectively, "Governments") may identify for reservation from registration names that match words of cultural and/or religious significance ("Culturally Significant Names").

9. Develop a policy prohibiting abusive registrations (*e.g.*, registration of a first and last name by a registrant other than the named individual), and shall provide a mechanism for rapid take down of abusive registrations in appropriate circumstances.

10. Proactively reach out to governments and international organizations to provide information about IFFOR's activities and solicit input and participation, and shall consult regularly with and seek input from governments and/or the GAC, regarding launch planning.

11. Conduct stakeholder/town hall meetings prior to Limited Launch.

12. Quarterly for one year following the Effective Date of this Agreement, and as reasonably requested by ICANN thereafter, Registry Operator shall submit a written progress report describing its activities relating to and demonstrating reasonable progress towards fulfillment of the Policy, Grant-making, and IFFOR Commitments.

<u>Safeguards</u>:

ICM will establish a thirty-day "quick look" opportunity during which period ICANN may, if it elects to do so, review policies prior to implementation.

- ICM will negotiate in good faith with ICANN to resolve concerns, if any about the draft policies, and will stay policy implementation pending negotiated resolution or determination under dispute resolution provisions of the registry agreement.

- Disputes will be resolved through binding arbitration.

<u>ICANN Enforcement Mechanisms</u>:

<u>Standard</u>: Specific performance/ fines and penalties available through binding arbitration.

<u>Non-standard</u>: ICANN option (but no obligation) to disapprove relevant policies. ICM obligation to provide advance notice of and ICANN option (but no obligation) to review policies. In each case, disputes will be resolved through binding arbitration.

TASK 4: Registry Operations

Obligations of all registry operators under the Registry Agreement, plus ICM specific actions, identified in the Documentation:

1. Registry Operator will

   a. Contract with back-end provider

   b. Work with the designated back-end registry provider to provide the back-end Registry system and services related to providing and maintaining the system (e.g., registrar help desk and billing). The system will integrate with databases that record and manage the authentication data.

   c. Work with the designated back end provider will conduct comprehensive testing of the registry system and registration procedures (including the interfaces with Registrars and the Authentication Services provider(s)).

      i. This testing will occur in cooperation with a select group of ICANN accredited registrars (the "Testbed Registrars") with in put from sTLD Community members as appropriate.

      ii. The goal of OT&E testing is the confirmation that all entities involved in the registration process are prepared for the commencement of full operations and that escalation, support and reporting processes are in place and ready

   d. Ensure that the processes and procedures for registrars and registrants are clearly established and published in time to meet the published schedules in the Start Up Plan.

   e. Select and integrate Registrars, in accordance with Appendix S, Part 5

   f. Operate mechanisms for pre-reservation, STOP, CEDRP, reserved names, and mechanisms related to abusive registrations, geographic designators, culturally sensitive names.

   g. Conduct the Limited Launch, accepting registrations through ICANN accredited registrars only from members of the Community who have already been pre-authenticated.

   h. During the General Registration phase, registrations will be accepted through ICANN accredited registrars from prospective registrants who may or may not have already been authenticated as members of the Community. For those who have not been pre-authenticated, the requested domains will be placed on registry hold and will not resolve until the registrant has been successfully authenticated. In the event that a prospective registrant cannot be verified as a member of the community, the registration will not be completed and the name will be reallocated.

   i. Operate the registry going forward in accordance with the provisions of the Registry Agreement

2. Compliance and Enforcement. Registry Operator will:

a. Develop and create mechanisms to enforce registrant compliance with registry policies.

b. Provide for automated tools to monitor proactively registrant compliance with registry policies related to labeling and the prohibition of child pornography, and mechanisms for user reporting of registrant non-compliance with registry policy

c. Create mechanisms for user reporting of non compliance with registry policies, including the development, posting, and enforcement of procedures for curing non-compliance and penalties, including cancellation of registration, for failure to cure.

d. Name a compliance officer to receive and respond to reports of non-compliance, and to administer the procedures for curing non-compliance and penalties, including cancellation of registration, for failure to cure.

e. Name an ombudsperson to receive and respond to complaints and/or concerns about Registry Operator, including concerns about enforcement of registry policies and handling of complaints related to registrant non-compliance. The ombudsperson must be an experienced provider of such services, possessing such training and credentials as are recommended from time to time by the International Ombudsman Association, and must adhere to the Code of Ethics and Standards of Practice promulgated from time to time by the International Ombudsman Association.

<u>Safeguards</u>:

Registry Operator will enter into monitoring and oversight arrangements with adequately funded and staffed independent associations within 120 days of approval of the Registry Agreement to be responsible for oversight ICM's compliance with its obligations to prohibit child pornography and require labeling.

The appointment (and any replacement) of such monitoring and oversight associations will be subject to the right for ICANN to disapprove a selection, in its reasonable discretion.

<u>ICANN Enforcement Mechanisms</u>:

<u>Standard</u>: Specific performance/ fines and penalties available through binding arbitration.

<u>Non-standard</u>: ICANN may disapprove (but has no obligation to approve) service providers. Disputes regarding the appointment of such service providers will be resolved through binding arbitration, based on the reasonableness of ICANN's objections, if any.

TASK 5: IFFOR Policy Development

Registry Operator shall cause IFFOR to:

1. Publish the IFFOR By-Laws on a publicly accessible website.

2. Name CEO and replacement IFFOR Board, in compliance with the geographic diversity included in IFFOR's By-Laws.

3. Create the policy development structure set forth in the IFFOR organization chart

4. Establish ethical screens or other mechanisms to ensure IFFOR's independence and to protect it from inappropriate influence.

5. Create the grants-making structure set forth in the Documentation.

    a. Establish the grants committee

    b. Develop the grants award criteria

    c. Review and act on grants applications

    d. Publish regular reports on grants and sponsorship activities.

6. Create open and transparent policy development procedures and mechanisms, as set forth in the Documentation, that:

    a. Include sufficient opportunity for public comment and input from concerned and affected groups, and mechanisms

    b. Promote well-informed decisions based on expert advice

    c. Ensure that those entities most affected can assist in the policy development process.

    d. Support informed participation reflecting the functional, geographic, and cultural diversity of the responsible online adult entertainment community and the broader Internet stakeholders at all levels of policy development and decision-making.

7. Proactively reach out to governments and international organizations to provide information about IFFOR's activities and solicit input and participation.

8. Develop best business practices, to be considered and implemented by ICM as set forth in the Documentation to:

    a. Safeguard children online and combat child pornography

    b. Prohibit misuse of personal information

c. Require accurate meta-tagging

d. Ensure clear and accurate consumer disclosures and prohibit deceptive marketing practices

e. Protect IP rights

f. Prohibit use of malicious codes and technologies (i.e. spoofing)

g. Prohibit fraudulent, anonymous, or unsolicited commercial emails

h. Prohibit use of malicious redialers, credit card fraud, and/or unauthenticated use of credit cards

i. Implement innovate approaches to reduce incidence of children exposed to inappropriate online content

Safeguards: ICM's obligations under this task are straightforward.

ICM is obligated to:

- Delegate authority to undertake these activities to IFFOR in a manner that ensures IFFOR will create the structures, policies, and procedures called for, while protecting IFFOR's independence.
- Consider and implement IFFOR developed policies in accordance with the Documentation, subject to a thirty-day "quick look" opportunity during which period ICANN may, if it elects to do so, review the policies prior to implementation.
- Fund IFFOR activities in accordance with the Documentation.
- ICM will negotiate in good faith with ICANN to resolve concerns, if any about the draft policies, and will stay policy implementation pending negotiated resolution or determination under dispute resolution provisions of the registry agreement.
- Disputes will be resolved through binding arbitration.

ICANN Enforcement Mechanisms:

Standard: Specific performance/ fines and penalties available through binding arbitration.

Non-standard: ICANN option (but no obligation) to review and disapprove ICM/IFFOR contract (see above). ICM obligation to provide advance notice of and ICANN option (but no obligation) to review IFFOR developed policies. In each case, disputes will be resolved through binding arbitration.

Appendix 1:

MECHANISMS TO PREVENT, DISCOURAGE, & ADDRESS ABUSIVE
REGISTRATIONS

The nature of the sTLD inherently reduces the likelihood of abusive registrations.
Why typo-squat in .xxx? Typo-squatters prey upon common misspellings/typos to lure
unsuspecting Internet users to their site.

It's hard to imagine that someone might type .xxx (rather than .com or .org) by mistake.
It's also unlikely that someone looking for a well-known brand homepage would look in
the .xxx TLD. So, both after the dot (www.whitehouse.com or www.cheerleaders.com),
and before the dot (www.microsift.com), there is very little incentive to typo-squat.
Nobody looking for Microsoft's home page is going to enter microsift.xxx!

**In addition, ICM has committed and will be contractually obligated under the
Registry Agreement to provide the following additional safeguards:**

1. **The xxx registration process will further limit incentives for engaging in
   speculative and/or abusive registration practices** commonly associated with
   TLD's in which abusive registrants use false contact information to evade
   identification or legal process.

xxx is a sponsored top-level domain, and registration (of resolving names) is limited to
<u>verified and authenticated members of the Sponsored Community</u>. All prospective
registrants must be verified members of the Community before being permitted to
register a name in the sTLD. The verification process will be in operation at least 60
days before Limited-Launch, and will be available thereafter on an ongoing basis. The
verification process is designed to establish that a prospective registrant meets the
registration criteria.

   a.   A variety of automated and manual procedures will be utilized for verification,
          including pre-authentication by designated Authentication Providers (for example,
          Representative organizations), or a cross check of registration against
          information held by designated Authentication Providers.
   b.   Eligibility of prospective registrants will be verified prior to the addition of a
          name to the .xxx zone file:

          – When a prospective registrant submits a registration request, the Registry
            will send a unique HTML link to the registrant's email of record.

          – The registrant must then follow the link, and provide supplementary
            information that will permit ICM to verify that the registrant is a member of
            the Community. This process inherently identifies the IP address of the
            registrant.

          – If the automatic verification process does not provide verification, the
            request will be referred to ICM's compliance staff, which will attempt to
            verify the registrant manually.

       −   No name can go live until the registrant has been verified as a member of the community.

c.   ICM will verify contact/WHOIS data for prospective registrants prior to the addition of a name to the .xxx zone file.

d.   ICM will permit registrants to use only pre-approved proxy services, and approvals will be limited to services that have demonstrated responsible and responsive business practices. (ICM welcomes IP community input on standards for proxy services.)

e.   ICM will maintain verified contact data for the actual registrant, as well as for the proxy service.

f.   Prospective registrants must represent and warrant - in both the registration agreement and again as part of the WHOIS verification process - that neither the registration of the desired string, nor the manner in which the registration will be used, infringes the legal rights of third parties. This is a material term with respect to charter eligibility.

2. **The ICM fee structure is designed to discourage speculative registrations and/or domain sampling.** Typosquatting in the .com TLD relies upon the marginal profitability of accumulating large numbers of domain names relative to the low price of .com registrations and/or "add-grace" free five-day registrations.

       −   A portion of each registration will be non-refundable, to support verification and authentication activities.

       −   At launch, the registration fee for resolving domains will be $60, in line with other "specialty domain" registrations fees.

All prospective registrants must agree to participate in and abide by any determinations made as part of the ICANN UDRP, and ICM's specialized dispute resolution procedures including the Charter Eligibility Dispute Resolution Procedure (CEDRP).

3. **ICM has created a number of mechanisms for those who are not part of the Sponsored Community to protection their intellectual property.**

a.   **AVAILABLE NOW**: ICM's "Pre-Reservation Service," which has been available since May 2006, facilitates inheritance between namespaces. The service enables existing holders of an identifier who are (a) members of the Sponsored Community and/or (b) trademark holders to reserve - free of charge - xxx registrations that correspond to their existing registrations in other ICANN recognized TLDs.

−   The reservations will be for resolving (Sponsored Community) and non-resolving (IP holders not members of the Sponsored Community) names, depending upon the nature of the entity submitting the reservation.

−   i.e., registrant of abcdesite.com can prevent registration of abcdesite.xxx by a third party.

−   If registrant of abcdesite.com is not a member of the Sponsored Community, the registration will be non-resolving.

−   A "tie-breaker" mechanism will allocate .xxx names where more than one valid pre-reservation is received (e.g., by different entities holding abcde.com and abcde.net).

−   A special mechanism will be used to resolve conflicts between reservations for (a) resolving and non-resolving strings, and (b) two non-resolving strings. (ICM welcomes IP community input on an appropriate mechanism.)

−   Trademark holders who receive pre-registration rights will be eligible for long-term, deeply discounted registration of the names as non-resolving strings. Fees will be limited to cost recovery, and ICM welcomes suggestions from the trademark community about ways to limit costs (bearing in mind that the back-end registry fee is fixed).

−   Non-resolving registrations cannot be transformed into resolving registrations.

−   In the event a non-resolving registration lapses, ICM will notify others who submitted pre-reservations, who will be permitted to register the non-resolving string on long term, deeply discounted rates.

b.   **AVAILABLE PRE-LAUNCH**. Start Up Trademark Opposition Proceeding (STOP). Intellectual Property ('IP') holders will have an extended period in which they can make an IP Claim prior to the Limited-launch of .xxx names. Once registrations begin, if a registrant attempts to register a name that has an IP claim against it, the prospective registrant will be notified of the existence of IP Claim(s) and the identity of the claimant(s) before the registration is confirmed and once registration is confirmed, the IP Claimant(s) will be notified the name has been registered. The IP claimant may challenge the registrant's rights to the name within a set timescale, during which time the challenged name will be designated not to resolve. Likewise, the domain holder may also initiate a dispute resolution process to challenge the IP claim(s) and obtain a resolving name. If a proceeding is initiated during the allotted time the challenged name will continue not to resolve until the dispute resolution provider makes a decision. In order to further discourage bad faith registrations and frivolous IP claims, in the event that a proceeding is initiated, the parties will each be required to submit 50% of the dispute resolution fee in advance, pending the decision. Failure to

respond by the non-initiating party would result in default judgment for the initiating party.

- Following contract approval by the ICANN Board, ICM will permit individuals and entities to files a "STOP," indicating that they intend to oppose registration of the flagged string by a third party.

- In the event that another party attempts to register that string, the prospective registrant will be notified that:

- One (or more) STOP(s) have been placed on the string.

- Should they elect to proceed with registration, they must provide a non-refundable deposit.

- The string will be registered to them on a non-resolving basis for 180 days, unless the STOP claim is decided or otherwise resolved. The STOPs will be handled sequentially, and these holding periods must be satisfied with respect to all STOPs that have been filed.

- If the registrant elects to proceed, ICM will:

- Notify the STOP holder(s)

- Provide verified contact information for the registrant to the first STOP holder.

- Maintain the registration as a "non-resolving" registration for 180 days (or longer, if more than one STOP is filed), unless the STOP claim is decided or otherwise resolved.

- If the challenger (entity that filed a STOP) prevails, the challenger will be permitted to register the string (on a resolving/non-resolving basis, as appropriate, and under the long-term, discounted fee structure).

- If the individual or entity that filed the first STOP elects not to proceed, ICM will contact the next in line and the process will be repeated until all STOPs have been addressed.

c. **AVAILABLE CONTINUOUSLY AFTER LAUNCH**. When general registrations commence, Registry Operator will begin accepting applications on a first come first served basis through ICANN accredited registrars from non-members of the Community to register non-resolving names that protect their Intellectual Property Rights. There will be strict guidelines governing these "non–resolving names" and any potential future changes to their status to discourage abuse of non-resolving names for purposes of speculation. Non-resolving names corresponding to trade or service marks held by community members will be subject to challenge under ordinary domain dispute procedures,ICM will provide an administration dispute resolution service - the "Charter Eligibility Dispute

Resolution Process" (CEDRP) to combat abusive registrations, which will remain in effect after the initial launch.

The CEDRP will be available to challenge any resolving registration to an entity that is not qualified to register a resolving name in the .xxx TLD.

4. Abusive Registrations.

"Abusive registrations" are not limited to intellectual property claims, and the .xxx sTLD may raise special concerns about strings that cannot be automatically catalogued, but in which common-law trademark claims, personal names, cultural or religious terms, may give rise to a legitimate concern. Accordingly, ICM believes that any policy that mechanically defines "abusive" is likely to be under-inclusive. Additionally, ICM is well aware that some parties, in anticipation of, and for the purpose of manipulating mechanical "sunrise" procedures, have made bulk filings in various legal jurisdictions to acquire "IP rights."

- ICM will, therefore, make non-resolving name registrations available to any party without such party having to satisfy arbitrary formal requirements. Such names will not be transferable and cannot be transformed into a resolving name. ICM will provide a mechanism whereby those who have sought, but not obtained, non-resolving registrations will be notified in the event a non-resolving registration lapses, so that they may, if they so elect register the non-resolving string on long term, deeply discounted rates.

- ICM will draw on domain name registry best practices to create or acquire the rights to use an initial Country and Geographic Designators Reserved List, which shall be posted no less than sixty (60) days prior to the TLD's Limited Launch date.

- Cultural/Religious Names. ICM will provide a mechanism whereby, during a specified period of no less than sixty (60) days prior to the TLD's Limited Launch date (as defined in the Start-Up Plan), Icon's Government Advisory Committee and/or the government of any country or distinct economy participating in the GAS (collectively, "Governments") may identify for reservation from registration names that match words of cultural and/or religious significance ("Culturally Significant Names").

5. Rapid Takedown

Analysis of UDRP disputes indicates that the majority of UDRP cases involve obvious variants of well-known trademarks. ICM Registry does not believe that the clearest cases of abusive domain registration require the expense and time involved in traditional UDRP filings. Accordingly, ICM Registry will institute a rapid takedown procedure in which a response team of independent experts (qualified UDRP panelists) will be retained to make determinations within 48 hours of receipt of a short and simple statement of a claim involving a well-known or otherwise inherently distinctive mark and a domain name for which no conceivable good faith basis exists.

Such determinations will result in an immediate termination of resolution of the domain name, but will not prejudice either party's election to pursue another dispute mechanism. The claim requirements will be modeled after the Digital Millennium Copyright Act. (ICM welcomes IP community input on this procedure.)

6. Registrant Disqualification

Abusive domain registration has historically attracted a small number of individuals and organizations that engage in high volume registrations, driven by the marginal profitability of individual abusive registrations. In addition to the economic disincentive for high volume registration of any kind, registrants found to have repeatedly engaged in abusive registration, their agents, or parties determined to be acting in concert therewith, shall be disqualified from maintaining any registrations in the .xxx TLD or making future registrations in the .xxx TLD. Registrant disqualification provides an additional disincentive for qualified registrants to maintain abusive registrations in addition to any otherwise non-abusive registrations, and repeated abusive registration shall result in loss of all registrations in the .xxx TLD.

7. WIPO II.

The ICM Registry Agreement obligates ICM Registry to adopt WIPO-2 recommendations.

Attatchment 1

.xxx Product List

T = Timeline. Launch, 1st year, 2nd year, 3rd year, etc.

F/S = Domain Feature or Domain Service. Feature means optional new function for existing product with no price change at registry level, Service is an add-on to Domain that that includes additional fee.

RGP = Redemption Grace Period. Service to delay availability of a domain for re-assignment after its expiry

Product	Description	T	F/S	Target Market
Pre Launch Product	Industry Reservation Service		S(no fee)	Existing operators of adult entertainment site
Launch Product				
Start Up Trademark Opposition Procedure	Claims can be filed that serve to give Intellectual Property Claimants the ability during Start up to notify a potential registrant of the existence of a claim and to prevent the name from resolving for a fixed period whilst any challenge to the registrant is made.	L	S	Intellectual prope owners worldwide
Authentication	Potential registrants are authenticated as members of the community by a variety of means including, but not limited to, third party Authentication Providers	L	S	Members of Community
General SLD w/UDRP, RGP **(ex. somename.xxx)**	Second level domain sold via accredited registrars that are not already sold or reserved by the registry. Sold on a first-come, first-served basis, or otherwise in accordance with the Start Up Plan, with ICANN UDRP for dispute resolution.	L	F	Members of Community
Redemption Grace Period	Redemption Grace Period (RGP) Service – restored domain pursuant to the Redemption Grace Period Policy (checked for ICANN policy)	L	S	
Premium Generic Names – **(ex. Toys.xxx))**	High-value names sold by registry at auction or otherwise in accordance with the Start Up Plan. Payment either via one time fee with renewals as per General SLD or via multi year payment schedule. Registrant must have credible new	L	S	Members of Community

	or existing business in domain description.			
xxxProxy	A service via Authorized Proxy Agents. When a registrant opts for this service the actual verified identity of the registrant will also be stored in the registry Authentication Database. Subject to compliance with ICANN consensus policies related to Whois data and privacy.	L	S	Community Registrants
IP Protect	Second level domains registered to Intellectual Property owners who are not members of the community, marked not to resolve. Renewal after initial term via General SLD process. Subject to strict conditions regarding transfer.	L	S	World Wide Non-members of Community with Intellectual Property interests
Bulk Whois	Whois requests greater than 50/day.	L	S	Internet domains

Future Products

Rapid Takedown	A mechanism for rapidly changing an active domain to non resolving status in the clearest of cases of trade- or service-mark abuse**, OR ABUSIVE REGISTRATIONS SUCH AS THE UNAUTHORIZED REGISTRATION OF PERSONAL NAMES,** to be adjudicated by an Approved Third Party Adjudicator pending a full UDRP filing	1	S	Worldwide Trade Service Mark holders
Third level domains w/RGP **(ex. title.movie.xxx)**	Third level domain sold on choice SLDs via accredited registrars that are not already sold or reserved by the registry. Registered on first-come, first-served basis.	1	S	Community members
Multi-Lingual Domain Registration Service	Multi-lingual registration service, offered through ICANN-Accredited Registrars, allowing registrants to register domain names in their native languages. This service will be introduced consistent with ICANN's IDN Guidelines. <http://www.icann.org/general/idn-guidelines-20jun03.htm>.	1	F	International members of the Community
.xxxlock	Registry Operator recognizes the registrants' need to safeguard their data. The xxxLock service intends to provide registrants with the ability to prevent modifications, transfers, or			Existing Registrants

	deletions of domain names without explicit permission from the registrant. The service's main purposes are to prevent malicious domain hijacking and domain transfer errors. The registrant will be contacted before any changes are made to their accounts for confirmation of the requested change. The registry, or registrar, under certain special conditions to be determined at a later date, may override a xxxLock	1	S	
Digital Certificates	Registry operator will investigate offering digital certification services in conjunction with registrars to benefit .xxx registrants. Digital certificates could be available at the 40-, 56-, and 128-bit encryption levels. Registrants will need to provide appropriate credentials to verify their organization and their right to use their .xxx domain name. Certificates give the end users of Web sites a higher level of trust; ensure their privacy, and providing a secure mechanism for any online financial transactions. Registry Operator might offer a distribution mechanism (such as a Secure-Socket Layer (SSL) web server farm) that will hold a registrant's public certifications and public PGP keys, allowing for secure yet easy access to these crucial pieces to identity	1	S	Community Registrants - May be external produ
.xxxdirectory	A pay for placement listing service that provides summary information about all organizations that are registered in the .xxx domain. Registrants can choose to opt-in (or opt-out), during or after domain name registration	1	S	Community registrants