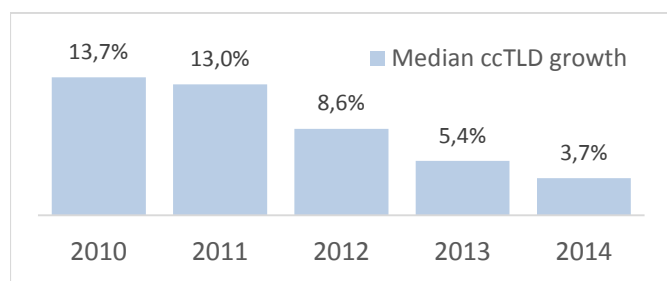# 70 million domain names: but is it a time to party?

Second-level registrations of CENTR members have reached a staggering 70 million domains; however, other statistics give a different angle to the health of the industry

Over the last 5 years, since February 2010, the CENTR full members added just over 22 million domain names to their zone files, which represents an increase of 45%. Most industries would be rather pleased with these stats, in particular as Europe is still wading through the economic rubble and financial instability.

However, these raw numbers only tell part of the story. The growth curve has declined steadily over the last quarters. The yearly median growth in a set of around 40 ccTLDs has dropped from 13.7% in 2010 to 3.7% in 2014. In particular, medium and large sized ccTLDs have to work hard to maintain a growth rate that allows them to keep investing in talent and development.

Data reflects CENTR ccTLD members. Source: CENTR

At CENTR, we have been studying trends for years, and this one won't come as a surprise to anyone who has been attending our meetings or reading the stat reports.

The reasons for the decline in growth are multi-fold and will be different from ccTLD to ccTLD. Market saturation will play a significant role in some cases, pricing in others. In general there is an impact of changing user behaviour and slow overall economic growth. Increased consumer choice following the introduction of new gTLDs might be another element, even though the impact of that introduction seems – so far at least – much smaller than anticipated.

Of course, in addition to the growth rate, some other stats are worth a look too. An average renewal rate in the mid-eighties is an assurance of stability. Unsurprisingly, most ccTLDs also show a low number of non-used domains. This not only explains the high renewal rate, but it is also a reflection of the wealth in content and services that reside below the raw stats. More than a few studies on a national level show that there is a strong preference for the national identifier and that preference translates in content and a willingness to invest in this identity in decals on shop windows, shopping bags and even trademarks. A study in 2013 as part of a workshop at the international Internet Governance Forum found that the main reason why domain name holders use the local ccTLD is for 'national identity' (CENTR Study: Social role of a registry – August 2013).

An internal report in late 2014 found that the median market share of a set of over 50 countries (mostly European) was 62%. This figure was also found to be marginally higher than the same calculation 2 years prior suggesting that ccTLDs have experienced a strengthening of their local brand over gTLDs being used in their countries. (CENTR Study: ccTLD Market Share report – September 2014)

Most importantly, however, the main goal of every ccTLD is to serve its local internet community. Looking at that 70 million number, one can only conclude that they are very well on their way of doing that. In one country, the per capita ratio goes up to 1/3. And with a median ratio of 6/100, more than a few ccTLDs have still room for growth.

Today, 70 million European citizens and politicians, governments and NGOs, SMEs and large corporations have registered a domain with their ccTLD. This does reflect a truly astonishing accomplishment, an amazing milestone and definitely a reason to celebrate.

EU Policy *Update*

Council proposes to extend trademark protection to domains

In 2013, the European Commission started the revision of the EU trademark system adopting the so-called 'trademark package'. The objective was to modernise and harmonise current legislation. Whereas the proposal did not make much noise since, things started to heat up once the Council started its discussions. For ccTLDs, the most controversial among the Council's suggestions is the extension of trademark protection to domain names. In doing so, domain names would factually be set equal to trade or company names – with potentially wide-reaching consequences on internet users and NGOs, and have an impact on the freedom of speech. Why would that be the case? Some NGOs or individuals register domain names to parody companies or products, for social commentary or as a means to criticise corporate policies. The 'partywithplayboy' domain name was registered by a feminist group – they were sued by Playboy. Danone sued a journalist who protested against the company closing a factory on the website 'jeboycottedanone.com'. The good news is, however, that the European Parliament seems set to take out any reference to domain names during the trilogue meetings that will resume later this month. In a bid to express the internet industry's concerns about the Council's move, CENTR co-signed a letter to EU decision-makers.

CENTR releases Board of Directors Statement on NIS Directive

In 2013, the European Commission decided to step up its efforts to increase the overall security of network and information systems (NIS) across the EU. Their studies had found cyber incidents to become bigger, more frequent and more complex – while the EU's response mechanisms did not seem ready to face such challenges. Therefore, both public and private actors were to engage in better and more stringent incident reporting, prove their readiness to respond to incidents and cooperate better to share such information.

The Commission's initial plans targeted critical infrastructure providers, including key internet companies, as well as the banking, energy, transport, health and public sectors. The European Parliament amended the proposal, took some of these actors out of the scope and added others (e.g., internet exchange points). At Council Working Party level, things became more diffuse and at times seem to lack substantive arguments and technical knowledge. What is worrying to ccTLDs is that 'national domain name registries', as well as 'domain name system services providers' (i.e., registrars) have been included in the scope without taking into consideration the impact on competition (neither gTLDs nor geoTLDs would fall into the scope) and the registrar landscape (pressure on small registrars to fulfil costly and burdensome requirements). CENTR initiated a Board of Directors Statement to support members when approaching their government representatives.

European Parliament calls for renewal of IGF mandate

Amidst ICANN52, the European Parliament adopted a resolution calling on the UN General Assembly to renew the mandate of the Internet Governance Forum (IGF), to strengthen its resources as well as the multi-stakeholder model of internet governance. It appreciates the value of the IGF – even though it has no decision-making power – as a forum to hold exchanges on issues such as electronic communications, data security, cyber security and privacy. It is also good news for the CENTR community that MEPs – as the resolution shows – are aware of ongoing processes such as the IANA Stewardship Transition and NETmundial. Welcoming the move of the European Parliament, CENTR co-signed a letter supporting the resolution.

Leonid Todorov was recently appointed General Manager of APTLD, the ccTLD association for the Asia-Pacific region. We are taking this opportunity to ask him a few questions about his new role, thoughts about the APTLD landscape and a little about his own background. On behalf of CENTR members, we congratulate Leonid for his appointment and wish him all the best!

What are the main challenges and opportunities you think APTLD members will be facing in the coming years? I believe that an exponential expansion of internet technology is going to dramatically change the current ICT and internet environment and bring about multiple challenges for the 'legacy' ccTLDs. Such challenges cannot be reduced to market-only ones, such as the rise of new rivals (and some are already there, such as new gTLDs and even repositioned by means of 'partisan marketing' legacy ccTLDs) and intense competition on a relatively narrow market for domain names, or public policy and institutional problems (with some governments in the region being increasingly keen to deem and treat the legacy ccTLDs as a part of the 'sovereign internet infrastructure'); rather, such challenges may make one question the existence and traditional ways of using domain names (particularly in the light of the development path of the 'Internet of Things' and social networks).

The good thing about such purportedly unconducive processes is that they get the industry mobilised and compel it to look for new instruments and innovative approaches, and to intensify information and best practice sharing, which ultimately should help cement the registry community in Asia Pacific and help find ways to bolster each individual registry's capacity through closer and more intense cooperation on both bilateral and multilateral levels.

With their impressive background of collective thinking and action, I am confident the APTLD members will be able to find solutions to new challenges and seize any opportunity down the road, for the Russian saying goes, he who is fine will drink wine, he who is brisk will eat bisque.

How would you define your role as General Manager of APTLD? If APTLD can be compared to some complex multi-cell organism, I would assert my role as that of a neuron. Indeed, like this very special kind of nerve cell, a GM's function implies receipt, processing and transmission of information, thereby being in the center of the APTLD network. Furthermore, like a neuron, a GM should be constantly engaged in communication and disseminate, in a timely and accurate manner, key signals throughout the network and even beyond it.

Needless to say, being a far more complex structure than a mere cell, a GM should also lead the community by setting and demonstrating the highest possible standards of strategic vision and practical skills to get things done to attain pre-set objectives.

Finally, though I may seem a lone figure on a map of a huge area between Russia's Western border and Melbourne, I am blessed to have a small but extremely efficient team, whose efforts to get things right will be pivotal to the success of my mission. To summarise: communication, outreach, leadership and management, those will be my watchwords for 2015, and that is exactly what the APTLD Board and the community expect from me and for which they will hold me accountable, for as the Russian saying goes, he who leads the assembly is the first to assume responsibility.

What kind of things were you doing before you joined APTLD? In my life, I tried many jobs: I was a teacher, researcher, public servant, project manager, corporate officer, freelance interpreter and can boast about numerous skills at which I have always been good, including, but of course not limited to, communication and outreach, leadership, event management (and this tops the list of my favourite jobs) and, more generally, the ability to get the show on the road, as our friends in the US like to say. I travelled East and West, and even far North, beyond the Polar Circle, but never in my life have I seen so great a community with which I am now privileged to work with.

In addition, the vast territory, the scope of my job, and the complex and versatile community all pose such a huge challenge that I am really excited to stand up to the thrill of this race. As the Russian saying goes, do your business and do not run away from it – and that has always been my credo.

If you had one important message to get through to major stakeholders, what would it be? Come and get on board, the journey will be all fun and thrills! And we shall overcome, for we cannot afford the luxury to loose, can we?

ICANN delegates IDN ccTLD .БЕЛ (.BEL) The IDN ccTLD .БЕЛ (.BEL) has been delegated to Operative-analytical Center under the Aegis of the President of the Republic of Belarus (admin contact) and Reliable Software, Inc. (Hoster.by, sponsoring organisation and tech admin). Registrations will start no earlier than September 2015.

Stats and Facts from .CZ - CZ.NIC published its traditional summary report with many interesting figures on .CZ domains, which have increased by more than six percent from the previous year.

High renewal rates continue for .eu in Q4 2014 - The latest progress report from EURid has shown that for eight consecutive years, .eu has maintained its high renewal rate. During the last quarter of 2014, on average 79% of .eu domain names were renewed.

Registry Analytics by Afnic - Afnic has further expanded its service offering for domain name operators and registries with a tool for analysing their business activities.

Q4 Report on the .PL Domain Market NASK released its Q4 report on the state of the .PL domain name market, including stats on registration volume, renewals, new adds, transfers, DNSSEC, registrants and more.

Discontinuance by Cartier of its claim for an injunction against Nominet - We are pleased to announce that the action by Cartier against Nominet has been discontinued.
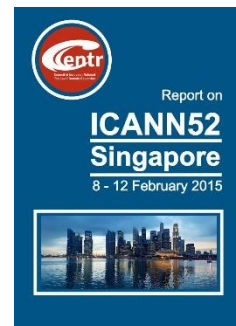
CENTR BLOG **'In the year of the goat'** - Lost in the IANA Stewardship Transition process? Lost in the ICANN Accountability review process? Lost in the most recent ICANN developments? No worries, you are not alone. For the first time in several years, the ICANN52 Singapore meeting, one of the three annual ICANN shows, had much less spectators …… **Read on…**

ICANN 52 Singapore

ICANN52 Singapore has met most attendants' expectations. It was a productive meeting that was largely dominated by the IANA Stewardship Transition discussions and the ICANN Accountability enhancement process.

While those two issues might have shied away quite a few regular ICANN attendants, those who were in Singapore witnessed lively debates and some unseen vibrant discussions in the ccNSO community.

Click to open the full CENTR report on ICANN52, which includes ccNSO, GNSO and GAC sessions.

Report on
**ICANN52
Singapore**
8 - 12 February 2015

Upcoming Events

18-19 March 2015
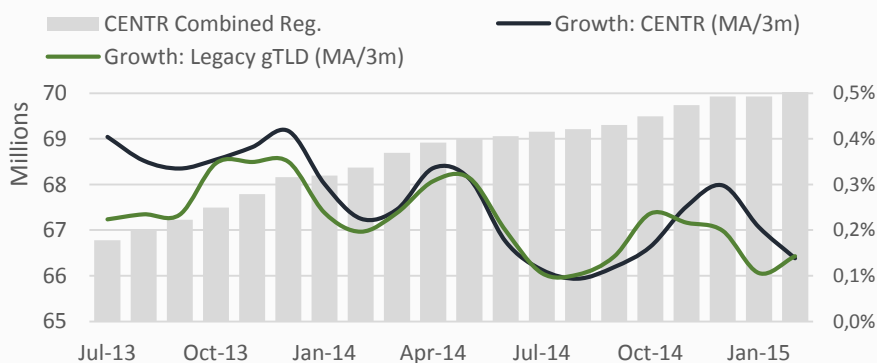
53rd CENTR **General Assembly** (Copenhagen)

26-27th March 2015

16th CENTR **Marketing Workshop** (Bari, Italy)

1-3 June 2015

CENTR **Jamboree 2015** (Stockholm, Sweden)

Domain Name Statistics

Source: CENTR (based on 57 ccTLDs), ICANNwiki
MA = Moving Average * Refers to CENTR full members only

CENTR Combined Registrations*

70.0 *million*

Combined registrations among CENTR members has passed the 70 million mark!

The chart (left) shows registrations and growth (using 3 month moving averages) of CENTR members with the equivalent growth in legacy gTLDs.

Combined registrations have grown 2.4% over the past 12 months with a median ccTLD growth over this period 3.7%