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Technology: 5 things you should know about ICANN

How the Internet regulator's policies affect your business

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The Internet Corporation for Assigned Names and Numbers (ICANN) enjoys an undeserved obscurity. Its global powers and the consequences of its decisions for businesses large and small need to be more widely understood. This post briefly describes a handful of the essential facts.

1. ICANN is the Internet's unseen regulator It is a canard that no one regulates the Internet. By technical necessity, a single global authority must coordinate and manage certain functions in order for every node on the Internet to communicate with every other. That authority is ICANN. Among other powers it holds because of a contract with the U.S. government, ICANN coordinates domain names and Internet Protocol addresses, operates the Internet root zone and conducts policy development related to these functions. No other organization in the world possesses these powers. Even though ICANN exercises its authority through contractual agreements rather than through direct regulation, the effect is no different. ICANN's unique authority allows it to set the terms by which access to the Internet is available.

2. ICANN is a private corporation ICANN is a nonprofit corporation organized under California law and is headquartered in the state. It is not a government agency, nor are its operations subject to routine government oversight. ICANN's status as a private corporation is explained by the U.S. government's decision in 1998 to privatize the responsibility for managing and coordinating the Internet. Privatizing makes a great deal of sense, but it also complicates thinking about how ICANN should operate. ICANN has few peers as a private corporation with global regulatory power.

3. ICANN's accountability is seriously flawed All of ICANN's powers are concentrated in its board of directors. Only that body holds the authority to act on behalf of ICANN. Although ICANN's bylaws provide for various mechanisms to review board decisions, none of them binds the board to reverse any decision, even if inconsistent with the bylaws or ICANN's other written commitments.

4. ICANN's policies disrupt business plans ICANN's decision to permit new generic Top Level Domains (gTLDs), such as .berlin and .canon, to be added to the Internet has already disrupted many plans by forcing businesses to decide whether to undergo the cost and risk of applying for a new gTLD or to take a solely defensive posture. But new gTLDs are hardly the only example of how ICANN's policies disrupt business plans. ICANN recently has been considering whether to thoroughly review the Uniform Dispute Resolution Policy, the out-of-court procedure for resolving trademark disputes in domain names. A decision either way will affect the plans of any business whose domain names it considers valuable intellectual property. And ICANN's policy-making environment is extremely active. Accurate and current knowledge is indispensable for devising an effective response to an ICANN policy that threatens to affect an organization adversely.

5. ICANN's policy making is open to participation by virtually all comers. ICANN is proud to call itself a "multi-stakeholder" institution. This means that ICANN invites anyone to participate in formulating Internet policy. Practically anyone who is interested can participate in ICANN's policy making: groups representing governments, businesses, non-commercial entities and individual Internet users are all welcome.

Given the impact that ICANN is having on the Internet and that the Internet is having on the global economy, more businesses should seriously consider taking up ICANN's invitation.

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