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December 6, 2016

VIA E-MAIL

ICANN Board Governance Committee (BGC)
 c/o Chris Disspain, ICANN BGC Chair
 12025 Waterfront Drive, Suite 300
 Los Angeles, CA 90094

Re: DotMusic Limited's Reconsideration Request 16-5: .MUSIC's Economic Implications and Effects on the Music Community's Business Model and Global Public Interest

Dear Chairman Disspain and members of the BGC:

DotMusic Limited ("DotMusic") writes to provide the Board Governance Committee (the "BGC") with additional information responsive to questions raised by the Committee during DotMusic's presentation on 17 September 2016. Following our presentation, we submitted a letter to the BGC addressing the Committee's questions regarding the economic implications of .MUSIC and its effects on the music community's business model (*see* Appendix A).¹ Now we write to supplement the information we previously provided to the BGC on the following public interest issues:

1. The economic and non-economic benefits of a community-based approach to .MUSIC;
2. The reasons why DotMusic's multi-stakeholder community-based application serves the global public interest and Internet users (as opposed to standard "open" applications); and
3. The serious .MUSIC-related concerns relating to (i) trust, (ii) security, (iii) fair compensation, (iv) mass copyright infringement, (v) malicious abuse, (vi) significant economic losses, (vii) consumer safety, and (viii) rights protection mechanisms and enforcement.

In addition to the benefits described below, we remind the BGC that there are added benefits to DotMusic's approach to operating the registry for the .MUSIC top-level domain ("TLD"), such as fostering consumer trust in the New gTLD Program and encouraging the adoption of new gTLDs.²

¹ ICANN Board Governance Committee ("BGC") Agenda (17 Sept. 2016), <https://icann.org/resources/board-material/agenda-bgc-2016-09-17-en>.

² The global music community's adoption of .MUSIC as a trusted industry standard TLD for music is inevitable because DotMusic's community application is supported by organizations with members representing over 95% of global music consumed; *see also* CircleID, "How .MUSIC Will Go Mainstream and Benefit ICANN's New gTLD Program,"



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DotMusic’s Community-Based Approach Protects the Music Community from the Economic and Non-Economic Harm Associated with Abusive Registrations of .MUSIC

DotMusic’s community-based approach to .MUSIC will prevent both economic and non-economic harm to the music community by implementing registration policies protective of the community. A sample of .MUSIC pre-registrations across registrars show that a non-community-based approach to the gTLD without such protections will result in the following:

1. Mass cybersquatting without cost-effective protection for music community members;
2. Mass copyright infringement and trademark infringement of artist and music brand names; and
3. Malicious abuse against internet users due to user confusion and impersonation.

According to United Domains, a leading registrar for pre-registrations of new gTLDs, the .MUSIC gTLD is the third most popular and pre-registered new gTLD, representing over 5% of all new gTLDs with 29,244 pre-registrations for .MUSIC out of a total 548,071 pre-registrations across all new gTLDs (see Appendix B).³ A statistically significant sample of 470 .MUSIC pre-registrations⁴ included a number of problematic and potentially harmful ones by persons or entities other than the name holder or authorized representatives of the name holder. Examples include the following:

1. Famous music artist names without dashes (e.g., JimiHendrix.music) (see Appendix D);
2. Famous music artist names with dashes (e.g., Alice-Cooper.music) (see Appendix E);⁵

(January 6, 2016),

http://circleid.com/posts/20161206_how_dot_music_will_go_mainstream_and_benefit_new_gtld_program

³ United Domains, “The Top 50 New Domain Extensions” (retrieved 31 Oct. 2016),

<https://www.uniteddomains.com/newgtld-ranking>.

⁴ The sample was taken by reviewing the available publicized .MUSIC pre-registrations through Archive.org. See Internet Archive WayBack Machine, Calendar View of 2012, “<http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>,” https://web.archive.org/web/20120601000000*/http://www.uniteddomains.com/new-top-level-domain/music-domain-registration; see also Internet Archive

WayBack Machine, Calendar View of 2013, “<http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>,” https://web.archive.org/web/20130601000000*/http://www.uniteddomains.com/new-top-level-domain/music-domain-registration.

⁵ Internet Archive WayBack Machine, “<http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>” (6 Oct. 2012), <https://web.archive.org/web/20121029090945/http://www.uniteddomains.com/new-top-level-domain/music-domain-registration/>.



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3. Famous music magazines and other music brand names (e.g., Kerrang.music) (see Appendix D);
4. Trademarked brands of .MUSIC applicant Google (e.g., GoogleMusic.music) (see Appendix F);⁶
5. Trademarked brands of .MUSIC applicant Amazon (e.g., AmazonStore.music) (see Appendix G);⁷
6. Trademarked brands of Microsoft (e.g., XboxLive.music) (see Appendix H);⁸ and
7. Other trademarked brands.⁹

These problematic pre-registrations are especially significant because past pre-registrations for domain names on United Domains had a significantly high conversion rate to domain registrations: “82 percent of all .SHOP domain names pre-ordered through United Domains’ pre-registration were converted to successful domain registrations” (see Appendix C).¹⁰ If this conversion rate is consistent with respect to .MUSIC, then nearly 25,000 of United Domains’ .MUSIC pre-registrations will be converted to .MUSIC domain registrations, even though many names were not pre-registered by their authorized representatives but by bad actors and cybersquatters. It is therefore a certainty that .MUSIC will be abused without the protections for the music community that DotMusic has committed to provide.

Further, while some brands may be protected by ICANN’s Rights Protection Mechanisms (“RPMs”), such as the Trade Mark Clearing House (“TMCH”) under the New gTLD Program, *nearly all music artists have not filed their tradenames in the TMCH* because it is either (1) too expensive or (2) they are unaware of the process. In fact, *most music artists do not have registered*

⁶ Internet Archive WayBack Machine, “<http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>” (10 May 2012), <https://web.archive.org/web/20120510195422/http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>; Internet Archive WayBack Machine, “<http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>” (14 Mar. 2013), <https://web.archive.org/web/20130314020025/http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>.

⁷ Internet Archive WayBack Machine, “<http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>” (1 Sept. 2013), <https://web.archive.org/web/20130901144106/http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>.

⁸ Internet Archive WayBack Machine, “<http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>” (21 Mar. 2012), <https://web.archive.org/web/20120321124104/http://www.uniteddomains.com/new-top-level-domain/music-domain-registration>.

⁹ .MUSIC pre-registrations included brands such Bandcamp, Comcast, and Virgin.

¹⁰ United Domains, “We’re number one! United Domains registers most .SHOP domains worldwide,” *United Domains*, <https://blog.uniteddomains.com/were-number-one-united-domains-registers-most-shop-domains-worldwide-910e5c269152>.



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trademarks. This means that speculators, cybersquatters, and even fans will be able to register artists' names without explicit permission from the artist. It is a certainty that impersonators will register .MUSIC domains to conduct malicious abuse, copyright infringement, and other illegal behaviors. Given the substantial size of the global music community, the economic damage that will result is enormous as artists will incur expenses trying to stop this abuse, and to claim and recover their names.

Despite ICANN's efforts to prevent such abuses, users are still able to register domain names under new gTLD registry business models, such as .SUCKS¹¹ and .FEEDBACK,¹² to target brands with financial resources. This issue is especially problematic with respect to .MUSIC because *most musicians do not have the financial resources to protect themselves from the certain abuse of their names if .MUSIC is run by an open registry*.

DotMusic's community-based application, however, incorporates enhanced music-tailored safeguards to address these issues.¹³ For instance, it includes a .MUSIC Globally Protected Marks List to protect famous artists' names from being registered by bad actors and a Name Selection policy that requires registrants to register their names and disallows the registration of others' names.¹⁴

DotMusic's Community-Based Approach to .MUSIC Serves the Global Public Interest by Preventing DNS Abuse

It is in the global public interest to approve .MUSIC as a community-based gTLD. DotMusic's application contains safeguards to prevent domain name system ("DNS") abuse – a significant problem for many new gTLDs. As Internet Identity ("IID"), a security company that provides threat data services and is led by a member of ICANN's Security and Stability Advisory Committee,¹⁵ has

¹¹ See Gregory S. Shatan, President, Intellectual Property Constituency ("IPC") letter to Akram Atallah, President, ICANN's Global Domains Division (27 Mar. 2015), <https://www.icann.org/en/system/files/correspondence/shatan-to-atallah-27mar15-en.pdf>; see also Edith Ramirez, Chairwoman, United States Federal Trade Commission letter to John Jeffrey, ICANN General Counsel and Secretary (27 May 2015), <https://www.icann.org/en/system/files/correspondence/ramirez-to-jeffrey-27may15-en.pdf>.

¹² See *Adobe Systems Incorporated, et al v. Top Level Spectrum et al.*, Complaint for ICANN Compliance Investigation, Evaluation by PICDRP Standing Panel, and Remedies (24 Oct. 2016), <https://www.markmonitor.com/download/blog/FEEDBACK%20-%20PICDRP%20Complaint%20-%20Long%20Form.pdf>; *Adobe Systems Incorporated, et al v. Top Level Spectrum et al.*, Exhibits to Complaint for ICANN Compliance Investigation, Evaluation by PICDRP Standing Panel, and Remedies (24 Oct. 2016), <https://markmonitor.com/downloads/PICDRPexhibits>.

¹³ See DotMusic's music-tailored enhanced safeguards, <http://music.us/enhanced-safeguards>.

¹⁴ New gTLD Application Submitted to ICANN by: DotMusic Limited, String: MUSIC (16 May 2014), 20E <https://gtldresult.icann.org/applicationstatus/applicationdetails/downloadapplication/1392?t:ac=1392>.

¹⁵ Kevin Murphy, "IANN security advisor predicts 'hundred' of new gTLDs will 'go dark'" (4 Dec. 2015), available at <http://domainincite.com/19667-icann-security-advisor-predicts-hundreds-of-new-gtlds-will-go-dark>.



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explained, “most new gTLDs have failed to take off and many have already been riddled with so many fraudulent and junk registrations that they are being blocked wholesale.”¹⁶

ICANN itself has documented many of these issues in its “Revised Report on DNS Abuse and New gTLD Program Safeguards,”¹⁷ revealing the potential DNS abuses facing .MUSIC if it is run as an open registry. ICANN identifies and describes such abuses as follows:

- **Phishing** uses both **social engineering** and technical subterfuge to steal consumers’ personal identity data and financial account credentials. . . .
- **Fast-flux** is a technique carried out by botnets in phishing, spam, and other malware delivery activities in which attacks are sent from a constantly shifting set of IP addresses, rendering detection very difficult.
- **Typo-squatting**—aka “URL hijacking”—is a form of **cyber-squatting** that relies on users making a typographical error when entering a website address into a web browser, and often directs users to malicious sites.
- **Malvertising** is advertising on a website or ad network that is set up to infect viewers with malware either every time it is seen or at various intervals based on time or number of hits.
- **Search engine poisoning** is an activity that manipulates search engines to display search results that link to malicious websites.
- **Spoofing attacks** are when a malicious actor impersonates another device or user in order to launch attacks against network hosts, steal data, spread malware, or bypass access controls. . . .
- **Domain shadowing** is another emerging form of DNS abuse in which criminals, using stolen or phished credentials, create numerous subdomains associated with existing legitimate domains in a registrant’s portfolio. The legitimate domains continue to function normally from the view of the registrant while these subdomains direct visitors to malicious sites.
- **DNS cache poisoning** is an attack in which a malicious actor tricks a name server into adding or modifying cached DNS data with malicious data. **Pharming** is one

¹⁶ IID, “IID Predicts Massive Botnet Takeover of IoT Devices by 2017” (1 Dec. 2015), <http://internetidentity.com/press-release/iid-predicts-massive-botnet-takeover-of-iot-devices-by-2017>.

¹⁷ ICANN, “ICANN Revised Report on DNS Abuse and New gTLD Program Safeguards” (18 Jul. 2016), <https://newgtlds.icann.org/en/reviews/dns-abuse/safeguards-against-dns-abuse-18jul16-en.pdf>.



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form of this activity in which a malicious actor coaxes a victim into clicking on a link—usually sent via spam email—which in turn infects the victim’s personal computer or server and redirects users to fraudulent websites where confidential personal information can be gathered.¹⁸

These abuses “exploit human weaknesses in the forms of greed, carelessness, and/or naiveté.”¹⁹ The safeguards in DotMusic’s application will help prevent such abuse, therefore protecting the interests of Internet end-users and serving the global public interest.

DotMusic’s Community-Based Approach Addresses Copyright Infringement, Trust, and the High Risk of Consumer Harm in Music-Themed gTLDs

According to the 2016 “Investing in Music” report (*see* Appendix L) released by the International Federation for the Phonographic Industry (IFPI) and the Worldwide Independent Network (WIN) – supporting organizations of DotMusic – “music is being crafted, created, produced and enjoyed in more ways than ever before in history”²⁰ while “the proportion of revenue invested in A&R (16.9%) remains higher than the equivalent spent on research and development (or R&D) by any other sector.”²¹ Furthermore, “**360 licensed digital services worldwide bring significant costs**. Substantial investment goes into systems to manage the large and complex task of efficiently and securely distributing more than 40 million recordings, videos and images across multiple platforms.”²² More importantly, the **costs to the music community resulting from music piracy are enormous because there are only 360 legal music services globally competing with thousands of pirate and unlicensed music websites**. The costs to consumers are significant as well because there is no way to distinguish a licensed from an unlicensed music website. The .MUSIC community TLD will serve the public interest by solving this problem by communicating with consumers and search engines that a .MUSIC domain is licensed, trusted and safe.

Google’s Transparency Report²³ foreshadows copyright problems facing .MUSIC if it becomes an open registry. The report shows widespread copyright infringement and *millions* of takedown requests for new gTLDs. For instance, during the week of 19 September 2016, there were 24,119,796 URL takedown requests for copyright infringement (*i.e.*, 143,570 takedown requests per hour).²⁴

¹⁸ *Id.*, pp. 9-11.

¹⁹ *Id.*, p. 11 (emphasis omitted).

²⁰ IFPI/ WIN, 2016 Investing In Music Report, at <http://investinginmusic.ifpi.org> and <http://investinginmusic.ifpi.org/report/ifpi-iim-report-2016.pdf>, p.5

²¹ *Id.*, p.10

²² *Id.*, p.13

²³ Google, “Transparency Report” (retrieved 31 Oct. 2016), <https://www.google.com/transparencyreport/removals/copyright>.

²⁴ *Id.*; *see also* Robin Burks, “Google Copyright Takedowns Have Increased About 1 Billion Percent Since 2006,” *Tech Times* (7 Mar. 2016), <http://techtimes.com/articles/139220/20160307/google-copyright-takedowns-has-increased-about-one-billion-percent-since-2006.htm>; Ernesto, “Google Asked to Remove 558 Million ‘Pirate’ Links in 2015,”



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Many of these requests concern gTLDs with music-themed characteristics, such as .ROCKS (which has 72,369 domain registrations).²⁵ There are several infringing .ROCKS domain names with a significant amount of copyright infringement takedown requests, including: *torrents.rocks* (1,447,486 takedown requests), *extratorrent.rocks* (1,137,431), *kickass-torrent.rocks* (769,053), *kickasstorrent.rocks* (732,266), *kickasstorrents.rocks* (673,906), *kickass-torrents.rocks* (611,182), *kickasstorrentz.rocks* (530,482), *thepiratebay.rocks* (510,889), *kickass.rocks* (301,408), *mp3song.rocks* (208,360), and many others (*see* Appendix I).²⁶ In October 2016, the British Recorded Music Industry Ltd. (“BPI”), one of DotMusic’s supporters, alone requested 10,900,000 takedowns. These requests were valid attempts by BPI as, according to Google’s Transparency Report, “99.4% of URLs reported by [the BPI] are ultimately removed”²⁷ (*see* Appendix J).

As noted by ICANN and the Governmental Advisory Committee (“GAC”), .MUSIC is (i) a “string likely to invoke a level of implied trust from consumers, and carry higher levels of risk associated with consumer harm;” and (ii) a “string that is linked to [a] regulated sector” that “should operate in a way that is consistent with applicable laws.”²⁸ As such, it is a certainty that .MUSIC—the most relevant and popular music-themed gTLD in the New gTLD Program—will experience exponentially more abuse and piracy than .ROCKS if it is operated as an open registry.²⁹ **Such a result will not serve the public interest.** Without community-based enhanced safeguards in place, the popular .MUSIC string, which invokes a high level of implied trust from Internet users, will be significantly harmed by bad actors and experience rampant piracy to the detriment of the Internet users and the music community as whole.

The .MUSIC gTLD needs proper safeguards in place to protect the music community. The United States Federal Trade Commission (“FTC”) “expressed concerns about the need for more consumer protection safeguards . . . highlighting *again* the potential for significant consumer harm . . . magnify[ing] both the abuse of the domain name system and the . . . challenges . . . in tracking down Internet fraudsters.”³⁰ Furthermore, .MUSIC community member organization Recording Industry Association of America (“RIAA”) has noted in its “2016 Notorious Markets List” to the Office of the U.S. Trade Representative (“USTR”) that it is exceedingly difficult to track, enforce

TorrentFreak (30 Dec. 2015), <https://torrentfreak.com/google-asked-remove-558-million-pirate-links-2015>; Ernesto, “Google Asked to Remove 100,000 ‘Pirate Links’ Every Hour,” *TorrentFreaks* (6 Mar. 2016), <https://torrentfreak.com/google-asked-to-remove-100000-pirate-links-every-hour-160306>.

²⁵ nTLDStats, “.ROCKS” (retrieved 31 Oct. 2016), <https://ntldstats.com/tld/rocks>.

²⁶ Google, “Transparency Report for .ROCKS” (retrieved 14 Nov. 2016), <https://www.google.com/transparencyreport/removals/copyright/explore/?q=.rocks>.

²⁷ Google, “Transparency Report Reporting Organization: BPI (British Recorded Music Industry) Ltd,” (retrieved 14 Nov. 2016), <https://www.google.com/transparencyreport/removals/copyright/searchdata/reporters/?id=1847>.

²⁸ Stephen Crocker, Chair, ICANN Board of Directors letter to Thoma Schneider, Chair, ICANN Governmental Advisory Committee (23 June 2015), pp. 1-2, Annex 5, p. 8, <https://icann.org/en/system/files/correspondence/crocker-to-schneider-23jun15-en.pdf>.

²⁹ Rightside, the .ROCKS registry, is a co-applicant for .MUSIC in partnership with Donuts.

³⁰ Federal Trade Commission letter to Stephen Crocker, Chair, ICANN Board of Directors and Rod Beckstrom, ICANN President and CEO (16 Dec. 2011), pp. 1, 5, https://www.ftc.gov/sites/default/files/documents/public_statements/icanns-plan-increase-available-generic-top-level-domains/111216letter-icann.pdf.



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against, and accurately associate various notorious websites because of one or more of the following practices:

- **Domain Hopping** – When sites are demoted in search engine search results, the sites often engage in domain hopping to a new top-level domain to reappear at the top of search results and/or get around certain court-ordered blocks;
- **Utilize Reverse Proxy Services** – To hide the actual hosting internet service provider, pirate sites frequently employ reverse proxy services like Cloudflare to obfuscate their IP address, creating obstacles to enforcement against such sites;
- **Privacy Protected Domain Name Registration** – Operators of pirate sites typically hide their identity behind privacy/proxy services or appear to submit false or incomplete registrant information, further creating obstacles to enforcement against these sites.³¹

DotMusic has committed to provide enhanced safeguards to address these practices, including policies to stop domain hopping, takedown policies in the case of piracy, authorization provisions, permanent blocks, privacy/proxy provision, true name/address mandates, and trusted sender compliance policies. DotMusic can therefore safeguard the global music community by operating the .MUSIC TLD.³²

The BGC Must Accept DotMusic’s Reconsideration Request 16-5

For these reasons, in addition to those already presented by DotMusic and its co-requesters,³³ DotMusic submits that it would be in the best interest of the Internet community and the New gTLD Program for the BGC to accept Reconsideration Request 16-5. DotMusic and its co-requesters urge the BGC to do so in order to ensure that .MUSIC is a safe, secure, and trusted gTLD with enhanced safeguards tailored to the music community. A .MUSIC registry operated by DotMusic would serve the global public interest, protect the global music community and Internet users, and instill consumer trust in .MUSIC domains.

³¹ Recording Industry Association of America (“RIAA”), “2016 Special 301 Out-Of-Cycle Review of Notorious Markets” [Attachment, Bradley Buckles, RIAA Executive Vice President, Anti-Piracy letter to Probir Mehta, Assistant U.S Trade Representative for Innovation and Intellectual Property (7 Oct. 2016)], p. 2, https://torrentfreak.com/images/RIAA_2016_Notorious_Markets_Submission_.pdf.

³² See New gTLD Application Submitted to ICANN by: DotMusic Limited, String: MUSIC (16 May 2014), 20E, 26, 28-29 at <https://gtdresult.icann.org/applicationstatus/applicationdetails:downloadapplication/1392?t:ac=1392> and Public Interest Commitments, <https://gtdresult.icann.org/applicationstatus/applicationdetails:downloadpicposting/1392?t:ac=1392>

³³ DotMusic’s co-requestors are: International Federation of Musicians, International Federation of Arts Councils and Culture Agencies, Worldwide Independent Network, Merlin Network, Independent Music Companies Association, American Association of Independent Music, Association of Independent Music, Content Creators Coalition, Nashville Songwriters Association International, and ReverbNation.



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Sincerely,

Constantine Roussos
DotMusic
Founder

Paul Zamek
EVP: Communications & Strategic Relationships
DotMusic

Website: <http://www.music.us>
Supporting Organizations: <http://www.music.us/supporters>
Governance Board: <http://www.music.us/board>

Appendix A

Reconsideration Request 16-5:

Response to ICANN BGC Question:
DotMusic Presentation to Board

Re: .MUSIC economic implications and how
it affects Music Community business model

Submitted to ICANN on September 17, 2016



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September 17, 2016

DotMusic's Answer to ICANN BGC's Question concerning:

- (i) The Benefits and Risks of .MUSIC; and**
- (ii) How .MUSIC affects the global Music Community's future Business Model**

Dear ICANN BGC Chair Chris Disspain, BGC Member Erika Mann and BGC Members:

Thank you for your question during DotMusic's Presentation to the BGC.

The global music community is reliant on the DNS for its activities. As such, the safe, trusted and secure management of .MUSIC is of great essence, especially since music fans primarily consume music online through web-related destinations (e.g. YouTube.com) or through apps (e.g. iTunes).

The biggest challenge concerning music activities on "open" domain extensions is one of trust, security and enabling fair compensation to music community members. Currently, it is impossible to identify whether or not a site is authentic, safe or legal. For example, a music fan searching for "The Scorpions Winds of Change MP3"¹ on Google will not know whether a site is licensed or not. In this particular example, 9 out of 10 results are pirated web destinations. For example, DotMusic supporter BPI has filed over 7 million takedown requests in the last 30 days alone.² In this particular case Google removed 98% of those requests due to infringing content. The DMCA law is also outdated to address this game of whack a mole in which an infringing link is removed from the search results, yet reappears again under a different URL from the same domain. Google rarely ranks licensed music websites for specific songs. Instead, the majority of song-related search results are YouTube links or pirated links.

RiskIQ found that "one out of every three content theft sites contained malware. The study found that consumers are 28 times more likely to get malware from a content theft site than on similarly visited mainstream websites or licensed content providers. And just as worrisome, merely visiting a content theft site can place a users' computer at risk: 45 percent of the malware was delivered through so called "drive-by downloads" that invisibly download to the user's computer—without requiring them to click on a link."³

The global music community is currently losing out on billions of dollars and billions of visitors that are redirected to unlicensed music websites because there is no way to identify a licensed site from an unlicensed site. A safe, authenticated and trusted .MUSIC can change this and generate billions of dollars worth of lost traffic and revenues to the global music community by merely replacing millions of pirated web results with .MUSIC official and trusted websites. A verified

¹ <https://www.google.com/search?q=Scorpions+Wind+of+Change+MP3>. Retrieved on September 17, 2016.

² <https://www.google.com/transparencyreport/removals/copyright/searchdata/reporters/?id=1847>

³ <https://media.gractions.com/314A5A5A9ABBBBC5E3BD824CF47C46EF4B9D3A76/0f03d298-aedf-49a5-84dc-9bf6a27d91ff.pdf>, p.1; ; Also see <https://forum.icann.org/lists/comments-new-gtld-safeguards-dns-abuse-15mar16/pdfPrzdUmRIZc.pdf>



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.MUSIC for music community members will also prevent impersonation and counterfeiting (e.g. unlicensed merchandising or ticketing).

DotMusic's safeguards and multi-stakeholder governance structure enable fair compensation for community members on the web, while also help increase competition with unlicensed sites, which currently have the upper hand over the limited number of legal music services available.⁴ A licensed, verified and trusted .MUSIC domain with DotMusic's copyright enforcement safeguards⁵ can provide search engines the signal they need to replace pirated music website results to ensure monies flow to community members.

According to Google, its search algorithm ranks trusted, high quality and secure websites higher than untrustworthy, low quality and unsafe websites.⁶ DotMusic's music-tailored enhanced safeguards, such as copyright protection provisions and community member verification will provide search engines the signals to replace illegitimate music sites with .MUSIC sites resulting in impactful economic and non-economic benefits to the global music community. An alternative of an "open" .MUSIC without music community governance and safeguards will be abused because bad actors can leverage .MUSIC websites to conduct malicious activity.

Apart from increasing competition and consumer trust, another benefit under DotMusic's approach is raising awareness for ICANN's New gTLD Program as well as increasing adoption. Furthermore, an "open" .MUSIC is not a viable solution to be adopted as an industry standard because there will be no policies in place for responsible enforcement and protection of music rights. ICANN does not regulate content nor address issues of music copyright protection. DotMusic will be addressing these issues under a multi-stakeholder music community governance model and music-tailored enhanced safeguards. An "open" .MUSIC lacking such an organized, trusted and secure structure that is supported by the entire music sector will result in (i) a loss of billions of dollars of income; (ii) a lost opportunity to organize the music sector under a licensed industry standard that would result in additional economic and non-economic benefits to community members; and (iii) significant resources spent to counter bad actors using the perceived trust of .MUSIC domains to increase malicious abuse against both community members and consumers in general. Given the global music community's reliance on the DNS for its activities, the value of the .MUSIC domain extension is priceless because it represents the global music community. As such, it is an irreplaceable and invaluable asset.

Awarding .MUSIC to a non-community applicant would negatively and significantly impact the global music community's business model into the future because the opportunities of creating a safe haven for global music consumption and a legitimate global music and song database (which does not exist today), will entirely be lost. DotMusic's solution will also provide consumers and content providers choices that do not exist today and increase competition on the web, including

⁴ There are just over 400 legal music services available. See <http://www.pro-music.org/legal-music-services.php>

⁵ <http://music.us/enhanced-safeguards>

⁶ <https://webmasters.googleblog.com/2011/05/more-guidance-on-building-high-quality.html>



Trusted. Safe. Licensed.

Enhanced Safeguards to Protect IP.
Monies Flow to the Music Community.
Governed by the Global Music Community.
Available to the Entire Global Music Community.

mitigating the reliance of the global music community on tech companies for distribution of content and replacing pirated search results with legitimate ones.

In summary, a regulated top-level domain for music promotes internet security, resiliency, consumer choice and competition, which must be supported by ICANN to match ICANN's objectives to benefit the global public interest and fulfill the goals of the New gTLD Program.

Please do not hesitate to reach out to us if you have any more questions.

Respectfully Submitted,

Constantine Roussos
DotMusic
Founder

Paul Zamek
EVP: Communications & Strategic Relationships
DotMusic

Arif Ali
DotMusic Legal Counsel
Dechert

Website: <http://www.music.us>
Supporting Organizations: <http://www.music.us/supporters>
Board: <http://www.music.us/board>

Appendix B

United Domains:

The Top 50 New Domain Extensions

*.MUSIC Ranked #3 Most Popular
Domain Extension*

*29,237 total .MUSIC pre-registrations
out of total 547,680 new gTLD pre-
registrations*

*.MUSIC represents over 5% of total new
gTLD pre-registrations at United
Domain*

Find your domain

▾ Bulk search

Top 25 ▾

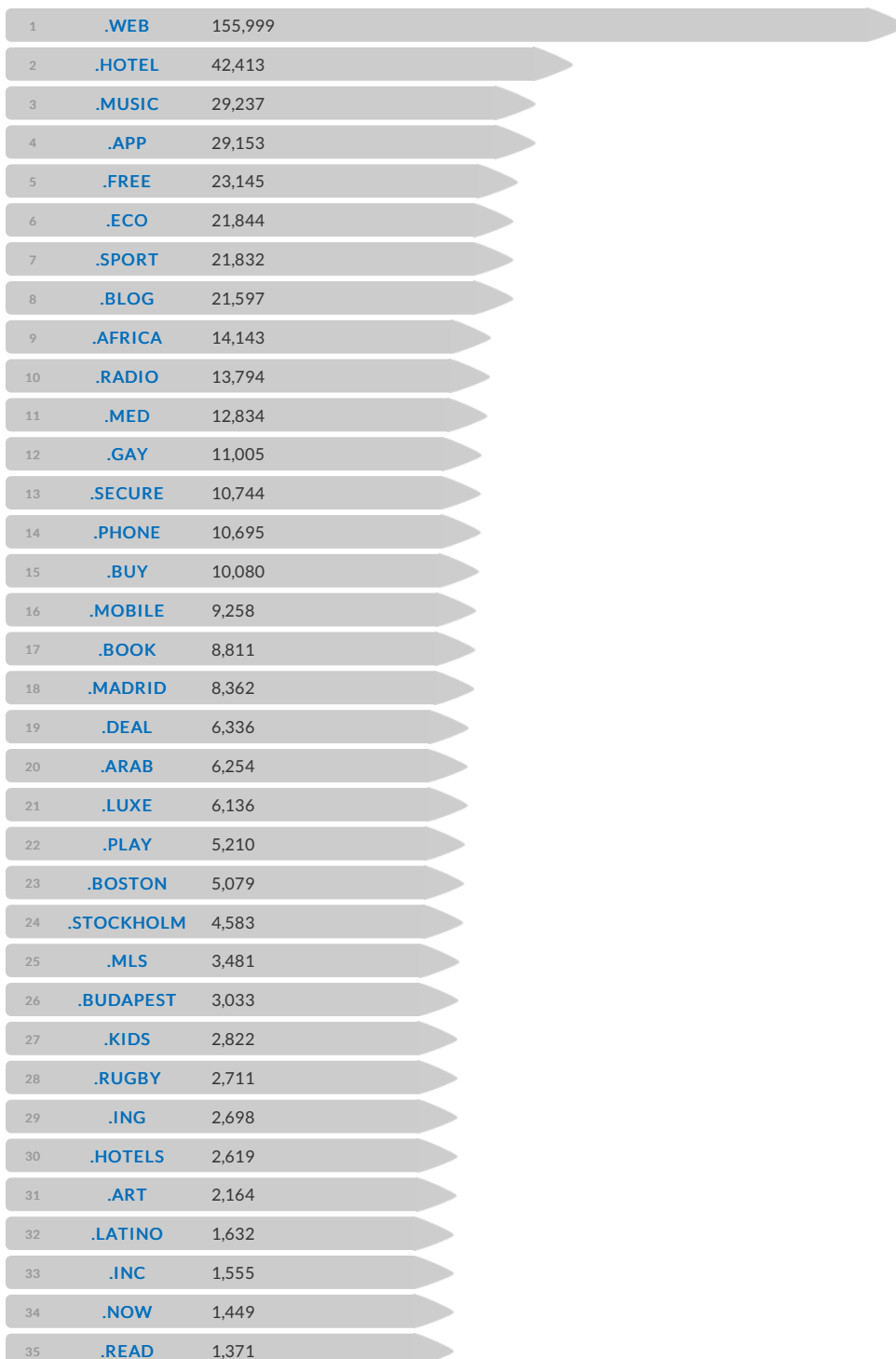
🔍 Search

Launching Nov 02: [.doctor](#) | Nov 21: [.blog](#) | Dec 14: [.cam](#)

The Top 50 New Domain Extensions

Every day, our customers pre-register and pre-order countless unique new domain names. Our Top 50 List breaks down the upcoming new domain extensions our customers are the most excited about. Backed by consumer trust and popular appeal, the extensions listed below are poised to make the most impact within their industries, fields, and geographic locations.

Click on any of the domain extensions to learn the details of its application and launch.



36	.MAP	1,309
37	.CAREER	1,306
38	.YOU	1,254
39	.CAM	1,043
40	.FOOD	1,032
41	.FORUM	1,000
42	.SEARCH	987
43	.BROKER	974
44	.PROD	972
45	.HOME	959
46	.DATA	938
47	.PAY	915
48	.MAIL	913
49	.FAN	803
50	.BEAUTY	775

547,680

Total Pre-Registrations (real time)

2,882

Pre-Registrations this Month (real time)

199

Pre-Registrations Today (real time)

Live Registration 444

Get your perfect domain name right away. Hundreds of domain extensions available now.

.at (\$14.90) .bio (\$59.00) .center (\$19.00)
 .click (\$19.00) .cloud (\$29.00) .club (\$29.00)
 .co (\$24.90) .co.uk (\$9.90) .com (\$9.90)
 .design (\$49.00) .digital (\$29.00) .info (\$14.90)
 .link (\$19.00) .london (\$39.00) .me (\$14.90)
 .net (\$14.90) .nyc (\$39.00) .online (\$49.00)
 .org (\$14.90) .photography (\$14.90) .rocks (\$9.90)
 .site (\$29.00) .store (\$69.00) .us (\$9.90)
 .work (\$9.90)

[See Our Full Domain Pricelist](#)

Open for Pre-Order 3

Pre-order your new domain name weeks before it's generally available.

.doctor (\$99.00) .cam (\$49.00) .blog (\$29.00)

[See All Domains For Pre-Order](#)

Free Pre-Registration 83

Be first to know when new domain extensions be available to register.

.arab .baby .basketball .boston .broker
 .budapest .buy .career .coupon .dad
 .data .deal .eco .fan .health .home
 .hotels .ing .joy .latino .luxe .madrid
 .makeup .map .med .meme .pay .phone
 .pin .ping .play .prod .room .rsvp
 .safe .scholarships .search .skin .sport
 .you

[All Domains For Free Pre-Registration](#)

United Domains

About Us
 Domain Features
 Register new gTLDs
 Domain Name Transfer
 Create new account

Explore and Help

Help Center (FAQ)
 Web Apps
 Domain Privacy
 Domain Pricelist
 Affiliate Program

Company

Contact
 Terms & Conditions
 Domain Guidelines
 Privacy Policy
 Careers

More...

United Domains Blog
 Top 50 New gTLDs
 New gTLD Launch Sequence
 namecheck.com

Payment Options:



Appendix C

United Domains:

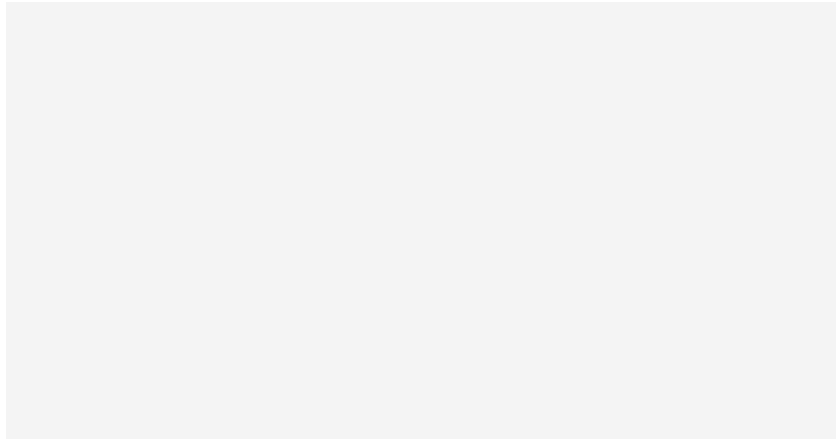
82% of .SHOP domain pre-registrations converted to domain registrations

At the same conversion rate, the registrar United Domains will convert about 25,000 .MUSIC registrations out of the 29,237 .MUSIC pre-registrations

United Domains [Follow](#)

United Domains is a leading domain name registrar based in Kendall Square in Cambridge, MA right next MIT. Focus..
Sep 27 · 2 min read

We're number one! United Domains registers most .SHOP domains worldwide



United Domains registered the most .SHOP domain names on the extension's public launch day.

After a smashing launch day for .SHOP on Monday, September 26th, 2016, United Domains emerged as the world leader for total .SHOP domains registered. Some 82 percent of all .SHOP domain names pre-ordered through United Domains' pre-registration were converted to successful domain registrations.

This achievement cements United Domains' status as a world leader for new domain extensions.

1 million .SHOP domain registrations anticipated in first year

"We expect to see a rush for the most attractive domain names under the .SHOP domain extension," says Florian Huber, CEO of united-domains AG.

In the same vein, the registry for the .SHOP domain extension GMO Registry is confident that .SHOP will close out its first year with 1 million domains registered.

"Just as we associate addresses like Rodeo Drive in LA or the Avenue des Champs Elysées in Paris with shopping, we are aiming for .SHOP become the ultimate destination to shop online," explained GMO Registry CEO Hiro Tsukahara in a recent interview.

A long-awaited new domain extension

The all-new .SHOP domain extension is ideal for services in the growing ecommerce industry, and allows tailor-made, relevant web addresses like "www.zalando.shop", "www.ebook.shop", or "www.voqa.shop".

The annual registration fee for standard .SHOP domains is just \$49 per year, and .SHOP works with any website—even those that already have an associated domain name. Included in every domain registration is free email forwarding, URL forwarding, DNS management, and access to Web Apps, which makes it easy to connect a .SHOP domain to a website or email host.

New domain extensions like .SHOP have been gradually entering the market since February 2014 thanks to ICANN, an non-profit managing the Internet's many names and numbers. Whereas short, attractive and available .COM and .NET domains are often tough to find without having to pay a high markup on the domain aftermarket, new gTLDs open up a new landscape of distinct and relevant naming possibilities. Within the next few months, the new all-purpose .WEB is also expected make its long-awaited debut.

For more information about .SHOP domains and their availability, visit www.uniteddomains.com/shop.

Domains SEO Startup Marketing Domain Names



United Domains

United Domains is a leading domain name registrar based in Kendall Square in Cambridge, MA right next MIT. Focused on the new generic top-level domains.

Follow



United Domains

United Domains is a domain registrar based in Cambridge, Massachusetts. We have over a decade of expertise in domain name registration, and offer over 500 Top-Level Domains suiting every industry and topic. Learn more at www.uniteddomains.com

Follow



Never miss a story from **United Domains**, when you sign up for Medium. [Learn more](#)

SUBSCRIBE

Appendix D

United Domains:

Random sample of .MUSIC domain pre-registrations includes famous artists (without dashes):

FleetwoodMac.music

JimiHendrix.music

Hendrix.music

Slash.music

DefLeppard.music

SystemOfADown.music

.MUSIC pre-registrations also include famous music magazines and brands:

Kerrang.music

Circus.music

Revolver.music

MetalHammer.music

NME.music

You are here: [New TLD Information](#)

New Top Level Domain .MUSIC

Free .MUSIC pre-registration is open!

Search multiple domain names, seperating names by line.

yourdomain1
 yourdomain2
 yourdomain3

.MUSIC

Search >>



Like
 Sign Up to see what your friends like.

Learn more about .MUSIC

The music industry has shifted from a physical to a digital world. The Internet has become the first truly global distribution channel for all musicians by providing them with the opportunity to connect with fans, new audiences and exciting business prospects.

.music is the exclusive, global community-based top-level domain name that gives music entities a unique identity online and an industry standard for official music websites. The specialized .music web address enhances a brand's visibility online. It ensures that .music websites are associated with a memorable, self-explanatory and trusted badge restricted to the music community: www.YourName.music

.music paves the way for the next-generation of the Internet and the future of music by building a home for everything related to music. Since 2005, under the slogan "We Are Music," .music has embarked upon a global communication outreach campaign to launch the .music domain name and initiative. The .music initiative's mission is focused on:

- Music education and the study of music in school curriculums
- Fighting piracy and protecting the intellectual capital of music
- Musicians' welfare, rights & fair compensation
- Enriching society with artistic and cultural diversity
- Innovation in both the music and Internet space

.music will contribute proceeds from its domain name registrations to select not-for-profit organizations that support its mission, core values and five initiatives.

Artists will be able to create unique song .music web addresses to help them market new single releases more efficiently. Giving each song a dedicated address makes searching for songs on the web much faster and easier by simply entering it directly into a browser's address bar, such as: http://SongName.ArtistName.music. Users can also interact directly with the music, video, lyrics and tabs of each song as well as add their own user-generated content.

Number of Pre-Registrations

0005596

[dotMusic](#)
Launch Date (est.) Mid. 2012

Recently pre-registered

- [hendrix.music](#)
- [riotnoise.music](#)
- [metalhammer.music](#)
- [revolver.music](#)
- [kerrang.music](#)
- [nme.music](#)
- [fleetwoodmac.music](#)
- [jimihendrix.music](#)
- [slash.music](#)
- [defleppard.music](#)
- [systemofadown.music](#)
- [soad.music](#)
- [afterhours.music](#)
- [circus.music](#)
- [novita.music](#)

.Music Web Domain
musicextension

Appendix E

United Domains:

Random sample of .MUSIC domain pre-registrations includes famous artists (with dashes):

Alice-Cooper.music

Billy-Joel.music

Black-Sabbath.music

James-Brown.music

Frank-Zappa.music

Ozzy-Osbourne.music

New Domains. New Opportunities.

New Domain .MUSIC

Pre-register .MUSIC domains today

Pre-register your .music new top level domain with United Domains for free.

yourdomain1
yourdomain2
yourdomain3

.MUSIC

Free Pre-Registration >>

Pre-Registrations are free and non-binding.

Why Should I Pre-Register?

est. for
2013

.MUSIC



Total number of
.MUSIC Pre-Registrations:

0,023,000

LIVE
COUNTER

Recently Pre-Registered

monkeys.music	visual-media.music
higherground.music	james-brown.music
alice-cooper.music	frank-zappa.music
billy-joe.music	ozzy-osbourne.music
black-sabbath.music	eric-clapton.music

The Internet has become the first truly global distribution channel for musicians by providing them with the opportunity to connect with fans, new audiences and exciting business prospects.

Artists aren't the only ones who will benefit. .MUSIC will also give music entities a unique identity online and set the industry standard for official music websites. The specialized .MUSIC new gTLD will enhance a brand's visibility online by ensuring that .MUSIC websites are with both memorable and trusted.

The .MUSIC new gTLD paves the way for the next-generation of the Internet and the future of music by building a home for everything related to music.

- ▶ Music education and the study of music in school curriculums
- ▶ Enriching society with artistic and cultural diversity
- ▶ Innovating in both the music and Internet space
- ▶ Fighting piracy and protecting the intellectual capital of music

.MUSIC joins other popular communities applying for new gTLDs including .GREEN, .GAY and .SURF.



Applicants for the .MUSIC New gTLD

There are eight applicants for the .MUSIC new gTLD, making it one a highly contested string. Applicants include DotMusic Inc., DotMusic / CGR E-Commerce Ltd, dot Music Limited, Amazon, Entertainment Names Inc., Victor Cross, Charleston Road Registry Inc. (Google), and .music LLC.

.MUSIC new gTLD details

Applicants

DotMusic Inc.
DotMusic / CGR E-Commerce Ltd
dot Music Limited
Amazon EU S.Ä r.l.

Free Newsletter Subscription

Subscribe to our newsletter to stay updated on .MUSIC.

enter your email address

Submit

Appendix F

United Domains:

*Random sample of .MUSIC domain
pre-registrations includes brands
of .MUSIC applicant Google/
Alphabet:*

*GoogleMusic.music
YouTubeMusic.music*

You are here: ▶ New Top Level Domains

New Domain .MUSIC
Pre-register .MUSIC domains today
Pre-register your .music new top level domain with United Domains for free.

yourdomain1
yourdomain2

.MUSIC

Pre-Registrations are free and non-binding.
Why Should I Pre-Register?

2013
Like 6

Total number of .MUSIC Pre-Registrations:

▶ 0 ▶ 0 ▶ 1 ▶ 4 ▶ 5 ▶ 5 ▶ 1

Recently Pre-Registered

- top10songs.music
- googlemusic.music
- youtubemusic.music
- ephesus.music
- dentistry.music
- plasticsurgery.music
- oncologist.music
- oncology.music
- entspecialist.music
- entsurgeon.music

.MUSIC new gTLD details

Applicants	dotMusic Minds + Machines
Est. Launch	2013
Start Sunrise Period	n/a
Start Landrush Period	n/a
Category	Community
Est. Price Range	n/a

Free Newsletter Subscription

Subscribe to our newsletter to stay updated on .MUSIC.

enter your email address

Submit

About the .MUSIC new gTLD

The Internet has become the first truly global distribution channel for musicians by providing them with the opportunity to connect with fans, new audiences and exciting business prospects.

Artists aren't the only ones who will benefit. .MUSIC will also give music entities a unique identity online and set the industry standard for official music websites. The specialized .MUSIC new gTLD will enhance a brand's visibility online by ensuring that .MUSIC websites are with both memorable and trusted.

The .MUSIC new gTLD paves the way for the next-generation of the Internet and the future of music by building a home for everything related to music.

- ▶ Music education and the study of music in school curriculums
- ▶ Enriching society with artistic and cultural diversity
- ▶ Innovating in both the music and Internet space
- ▶ Fighting piracy and protecting the intellectual capital of music

.MUSIC joins other popular communities applying for new gTLDs including .GREEN, .GAY and .SURF.

Learn More about the .MUSIC Applicants

There are three known applicants vying for the .MUSIC new gTLD including Minds + Machines, Far Further and MyTLD with Music.us.

Minds + Machines is a subsidiary of Top Level Domain Holdings and is run by an experienced team who have helped launched 20 top-level domains. Minds + Machines plans to provide the technical back-end for .MUSIC.

Appendix G

United Domains:

*Random sample of .MUSIC domain
pre-registrations includes
trademarked brands of .MUSIC
applicant Amazon:*

AmazonStore.music

Face the .MUSIC

The Internet has forever changed how artists distribute their music, and the .MUSIC gTLD is poised to shake things up yet again. Pre-register .MUSIC and get into the groove.

www.

yourdomain1
yourdomain2
yourdomain3

.music

SEARCH



Total Number of Pre-Registrations:

0,028,615 LIVE COUNTER

Stepping Onto the World Stage

The Internet has become the first truly global distribution channel for musicians by providing them with the opportunity to connect with fans, new audiences and exciting business prospects.

Artists aren't the only ones who will benefit. .MUSIC will also give music entities a unique identity online and set the industry standard for official music websites. The specialized .MUSIC new gTLD will enhance a brand's visibility online by ensuring that .MUSIC websites are with both memorable and trusted.

Ready for a Brand New Beat

The .MUSIC new gTLD paves the way for the next-generation of the Internet and the future of music by building a home for everything related to music.

- ✓ Music education and the study of music in school curriculums
- ✓ Enriching society with artistic and cultural diversity
- ✓ Innovating in both the music and Internet space
- ✓ Fighting piracy and protecting the intellectual capital of music

.MUSIC joins other popular communities applying for new gTLDs including .GREEN, .GAY and .SURF.

Find Out More About .MUSIC's Applicants

There are eight applicants for the .MUSIC new gTLD, making it one a highly contested string. Applicants include DotMusic Inc., DotMusic / CGR E-Commerce Ltd, dot Music Limited, Amazon, Entertainment Names Inc., Victor Cross, Charleston Road Registry Inc. (Google), and .music LLC.

Why Pre-Register?

- ✓ Stay Up to Date on the New gTLDs
- ✓ Be the First in Line for Registration
- ✓ Registration is free and non binding

Recently Pre-Registered

amazonstore.music	devout.music
hindicinema.music	cabina.music
hochschule.music	elementary.music
din.music	euphoric.music
hitler.music	zocker.music

.MUSIC new gTLD details

Est. Launch	Q3/2015
Est. Sunrise Period	Q3/2015
Est. Price Sunrise	n/a
Est. Price	n/a
Applicants	DotMusic Inc. DotMusic / CGR E-Commerce Ltd dot Music Limited Amazon EU S.Ä r.l. Entertainment Names Inc. Victor Cross Charleston Road Registry Inc. .music LLC

Appendix H

United Domains:

Random sample of .MUSIC domain pre-registrations includes famous brand trademarks, such as Microsoft brands:

XBoxLive.music

WindowsPhone.music

You are here: ▶ New TLD Information

New Top Level Domain .MUSIC

.MUSIC pre-registration is open!

Pre-registrations are free and non-binding

Search multiple domain names, separating names by line.

yourdomain1
 yourdomain2
 yourdomain3

.MUSIC

Search >>



Like 6 people like this. Sign Up to see what your friends like.

Learn more about .MUSIC

The music industry has shifted from a physical to a digital world. The Internet has become the first truly global distribution channel for all musicians by providing them with the opportunity to connect with fans, new audiences and exciting business prospects.

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- ▶ Musicians' welfare, rights & fair compensation
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- ▶ Innovation in both the music and Internet space

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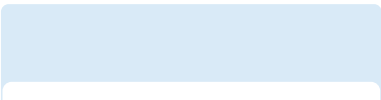
Number of Pre-Registrations

0013650

dotMusic
Launch Date (est.) 2013

Recently pre-registered

- ▶ mother.music
- ▶ liquidfusion.music
- ▶ jlsofficial.music
- ▶ hamptoncourthouse.music
- ▶ scala-london.music
- ▶ fridge.music
- ▶ chinawhite.music
- ▶ delukemusic.music
- ▶ delukesound.music
- ▶ deluke.music
- ▶ shalabom.music
- ▶ djufo.music
- ▶ elpais.music
- ▶ xboxlive.music
- ▶ windowsphone.music



Appendix I

Google Transparency Report

Copyright infringement takedown requests for .ROCKS domains include:

torrents.rocks (1,447,486)

extratorrent.rocks (1,137,431)

kickass-torrent.rocks (769,053)

kickasstorrent.rocks (732,266)

kickasstorrents.rocks (673,906)

kickass-torrents.rocks (611,182)

kickasstorrentz.rocks (530,482)

thepiratebay.rocks (510,889)

kickass.rocks (301,408)

mp3song.rocks (208,360)



Transparency Report

Explore the data

Our data comes from the information provided by copyright owners and their representatives when they submit copyright removal requests. All tables are sorted in descending order by total number of URLs requested to be removed.

[Owners](#)[Domains](#)[Reporting Orgs](#)

Domain	Copyright Owners	Reporting Organizations	Requested URLs	% Domain URLs indexed
torrents.rocks	837	134	1,447,486	<50%
extratorrent...	348	65	1,137,431	≥50%
kickass-torrent.rocks	933	98	769,053	≥50%
kickasstorre...	598	103	732,266	<50%
kickasstorre...	1,115	161	673,906	<10%
kickass-torrents.rocks	880	85	611,182	<50%
kickasstorre...	869	80	530,482	<50%
thepiratebay...	304	80	510,889	≥50%
kickass.rocks	442	87	301,408	<50%
pbp.rocks	177	36	247,830	—
1337x.rocks	342	86	244,441	<50%
tpb.rocks	110	26	209,497	—
mp3song.roc...	225	30	208,360	<50%
isohunt.rocks	379	87	139,972	<5%
mp3clan.rocks	854	11	60,380	<50%
piratebay.roc...	461	96	46,769	<5%
mpe.rocks	130	19	36,525	<10%
aiohow.rocks	338	23	25,590	<1%
ddlvalley.rocks	283	96	24,689	<50%
ebooks.rocks	600	113	16,393	<5%



1 - 20 of 194



Appendix J

Google Transparency Report

*10,900,000 copyright infringement
takedown requests by BPI in October, 2016*

*According to Google's Transparency
Report, "99.4% of URLs reported by [the
BPI] are ultimately removed"*



Transparency Report

Reporting Organization:

BPI (British Recorded Music Industry) Ltd

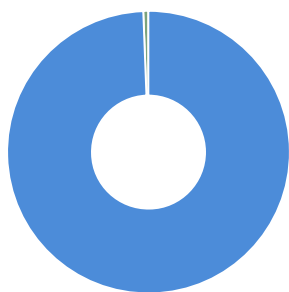
Requests

FILTER BY ► [Month](#) Year All time

Sep 30, 2016 to Oct 31, 2016

10.9M

URLs requested to be removed



- Removed
- No Action Taken

99.4% of URLs reported by this organization are ultimately removed

Appendix K

CircleID Post on .MUSIC

*How .MUSIC Will Go Mainstream and
Benefit ICANN's New gTLD Program*

January 6, 2016

How .MUSIC Will Go Mainstream and Benefit ICANN's New gTLD Program

Jan 06, 2016 9:27 AM PST | Comments: 6 | Views: 39,413

By **Constantine Roussos**



Since the launch of the New gTLD Program in 2012, it has become evident that new gTLD registries overestimated the demand for new Top-Level Domain name extensions. Furthermore, new gTLD registries did not anticipate the hurdles in raising awareness, not to mention creating adoption for new domains. Even the most pessimistic New gTLD Program critic did not expect such uninspiring results. It was a wake up call for many in the domain industry. The New gTLD Program currently lacks credibility. No new gTLD has yet to go mainstream and capture the world's imagination.

Obstacles to New gTLD Success: Competing with .COM, Awareness and Adoption

At the start of last year, [Inc. magazine](#) asserted in January 2015 that: "*given the challenges facing TLD adoption, it's unlikely that TLDs will make a huge marketing impact in 2015 unless there is some sort of game changing development.*"

At the same time, [Forbes](#) agreed with that assessment:

"In contrast to the slippery territory of the new domains, the existing names are solidly established. The .COM extension has been around for almost 30 years, and every Fortune 500 company has a .COM registration. The top 50 global brands direct customers to a .COM homepage. Almost all educational institutions use a .EDU suffix. And others, like .ORG, clearly stand for nonprofit organizations. People have come to rely on these familiar domains and are more than a little hesitant to incur the costs and uncertainty of venturing into new territory. Not a single leading brand has switched its online identity to one of the new domains, despite all the hype surrounding their introduction a year ago."

Many in the domain community also had some harsh words about the launch of ICANN's New gTLD Program.

Domain Name Wire (DNW) has been following ICANN's New gTLD Program closely since its

inception. In January 2014, DNW criticized the launch in a post titled "[New TLDs come out with a whimper](#)," followed by another [article](#) in March 2014 with harsh criticism stating that "*the launch of new domain names has been anything but smooth. Confusion. Frustration. Incompetence.*" Nearly 2 years later DNW [reviewed the New gTLD Program](#) asserting that "*[2015] wasn't a break-through year. Hundreds more top level domain names hit the market during 2015. But adoption of new domains didn't take off, proving what many in the industry have been saying: this is going to be a long, gradual process.*"

Dr. Paul Vixie, a pioneer of the internet's domain name system (DNS), took the criticism a step further according to [ZDNet](#):

"I think it is a money grab. My own view is that ICANN functions as a regulator, and that as a regulator it has been captured by the industry that they are regulating. I think that there was no end-user demand whatsoever for more so-called DNS extensions, [or] global generic top-level domains (gTLDs). They're gradually rolling out, and they are all commercial failures."

As one of the biggest proponents of the New gTLD Program throughout the years, I am dissatisfied with the results of the New gTLD Program. Before the launch of the New gTLD Program in 2012, all proponents of the New gTLD Program worked together following a culture of "*all for one and one for all*" with a shared vision to get the New gTLD Program approved and launched. Unfortunately, those collaborative dynamics quickly changed to the detriment of the New gTLD Program and ICANN.

Michael Berkens from [TheDomains](#) made an astute observation in January 2015, stating that "*the new gTLD [registries] better not hope it's a zero sum game where you can win if only someone else loses. Otherwise it could be an everyone loses scenario.*"

My opinion is unwavering: new gTLD success is about collaboration and co-operative competition, known as co-opetition, to spur trust and adoption. Co-opetition is defined as collaboration between business competitors in the hope of mutually beneficial results.

This is why I have been one of the biggest cheerleaders of community gTLDs. They are all about expanding the value pie by creating shared value to all community constituents. The value of the community-based network effect is seen in TLDs such as .EDU, .GOV and .ORG. Registrants involved in U.S. post-secondary education, U.S. government or non-profits will choose .EDU, .GOV and .ORG respectively over .COM because those TLDs stand for something that is trusted and is believable by the general public. Another example is .BANK which is carving out its niche by becoming the status quo for banks following the trust model. However, none of these success stories are achievable without community-based policies implemented, high quality content and usage relevant to those respective communities. Serving a higher purpose provides more meaning than the semantic value of the TLD.

Many new gTLD registries have made a colossal mistake trying to compete head-to-head with .COM under the non-differentiated factory approach of generically "open" TLDs. Most have employed identical marketing launches without offering a meaningful and innovative value proposition to

registrants. The marketplace has spoken. By following the same "old school" TLD marketing playbook, the most likely outlook for new gTLD registries are diminishing returns, especially for new gTLD registries that lack the economies of scale and scope competitive advantage. A non-differentiated gTLD competing head on with .COM (which shares all its attributes except the gTLD's novelty name) is a losing strategy and does not benefit ICANN's New gTLD Program or raise awareness.

The only successful route for new gTLD registries to compete is one based on "value innovation." This means to forget competing directly with .COM and making .COM irrelevant by strategically changing the playing field. Malcolm Gladwell's best seller "David and Goliath: Underdogs, Misfits and the Art of Battling Giants" [elaborates further](#):

"Davids win all the time. The political scientist Ivan Arreguín-Toft recently looked at every war fought in the past 200 years between strong and weak combatants. The Goliaths, he found, won in 71.5% of the cases. Arreguín-Toft was analyzing conflicts in which one side was at least ten times as powerful — in terms of armed might and population — as its opponent, and even in those lopsided contests the underdog won almost 33% of the time...When an underdog fought like David, he usually won. But most of the time underdogs didn't fight like David."

Bottom line, you cannot beat .COM fighting them under their own generically "open" and non-differentiated rules. .COM will always have a colossal home-court advantage. The reason is simple: .COM has billions of dollars spent in marketing to raise awareness, [over 120 million registrations](#) and decades of user recognition. Verisign is fortunate that they do not have to spend a dime in mainstream promotion because they have others — the .COM adopters — spending billions. The .COM adopters are those who prefer the status quo because educating the general public over a new gTLD is difficult, expensive and confusing. The only way to break the status quo is making a TLD the status quo by widespread community adoption.

The only way that a new gTLD can go mainstream is to share some of the same characteristics shared by .EDU, .GOV or other community-tailored TLDs that are aligned with a community-based purpose that would convince registrants to choose a new TLD as their first option over a .COM. Such an objective is insurmountable if a TLD follows a non-differentiated, open approach without any policies catering to their corresponding community. Laying the foundations for adoption is critical for success. It also takes widespread adoption from their corresponding communities for such a feat to happen.

There are some key questions most gTLD registries failed to answer: How can a new gTLD registry effectively differentiate itself to effortlessly convince the most appropriate registrants (i.e. the communities generally-associated with each gTLD) to register, develop and market those new domains as their official website and email address online? This is the only way to ensure that usage and compelling content from new gTLDs become more prevalent and eventually go mainstream. While some isolated domain name success stories with new gTLD are expected, such outliers do very little to increase awareness for the New gTLD Program helping all new gTLD registries as a result. Jeff Davidoff, Donuts chief marketing officer [stated](#) that "*pop culture usage is really going to accelerate the*

movement. Nothing beats the power of pop culture to drive a movement." Such an assessment is precise but a few select movies and studios using a new gTLD will not impact nor change the widespread perception of new TLDs as "wastelands." [Will .music domains make the Internet better or just more of a crowded wasteland?](#) Isolated new gTLD success stories do not constitute adoption because of their limited reach and longevity. Ongoing marketing and community adoption is paramount to success.

How Awareness, Adoption and Differentiation Can Be Achieved

The only way to spur mainstream awareness of ICANN's New gTLD Program is widespread industry adoption of a new gTLD that would create the multiplier network effect that would virally spread across all marketing channels fostering an environment of high quality, relevant and trusted content to increase exposure through higher search result rankings.

The only remaining gTLD that can accomplish this is the .MUSIC community-based gTLD. DotMusic is the only .MUSIC applicant that has followed unified principles, ideals and Mission aligned with the community-based purpose that the Community subscribes to, such as:

- creating a trusted identifier and safe haven for music consumption;
- protecting musicians' rights and intellectual property;
- fighting copyright infringement, supporting fair compensation and music education; and
- following a multi-stakeholder approach of representation of all types of global music constituents without discrimination.

To accomplish this objective, DotMusic developed its Mission and Registration Policies using a consensus-driven, bottom-up methodology via feedback and universal principles collected in its ongoing, extensive [public global Music Community communication outreach campaign](#) launched in 2008.

These principles and community-tailored policies to which the entire global music community subscribes to is the underlying reason why DotMusic has amassed the largest global music coalition ever assembled to support a music cause, including [organizations with members representing over 95% of global music](#). It bears noting that the [multi-stakeholder .MUSIC Governance Board](#) is comprised of the most trusted and globally recognized organizations associated with music.

DotMusic is expected to qualify as a "community" because it [exceeds the required Community Priority Evaluation \(CPE\) criteria consistent with previous prevailing EIU determinations](#) for .OSAKA, .HOTEL, .RADIO, .ECO, and .SPA. Thus far, DotMusic has received over 2,000 letters of support, more than all CPE applicants combined. DotMusic has also been supported by highly influential featured artists and the [International Music Organisation \(IAO\)](#) that represents featured artists globally. Such adoption would make .MUSIC a driving force for ICANN's New gTLD Program. Popular artists that have voiced support for the .MUSIC community initiative include [Radiohead](#), [Imogen Heap](#), [Travis](#), [Sandie Shaw](#) and many others. This unprecedented level of awareness resulted in monumental support before the

.MUSIC gTLD has even launched.

DotMusic's value-based innovation for a .MUSIC community-led initiative is one of creating differentiated value and making a difference that truly matters. For example, DotMusic does not allow parking pages. According to [nTLDStats](#), the vast majority of new gTLD domains, an astounding 71.35%, are parked (as of January 3rd, 2015). This unique policy for .MUSIC is one of the most innovative restrictions in the New gTLD Program because it mandates website development, usage and higher quality content. Legal music content and usage is king. Furthermore, .MUSIC can be the first TLD with copyright protection provisions and enforcement. These ensure .MUSIC is a safe haven for legal music consumption and licensing and to increase consumer trust and safety. These include policies to stop domain hopping, takedown policies in the case of mass piracy, authorization provisions, permanent blocks, privacy and proxy provisions, true name and address mandates, trusted sender complaint policies and many other [.MUSIC enhanced safeguards](#).

DotMusic has created a strong, trusted brand for itself over the last decade and has raised unprecedented support and awareness in both the domain and music industries that will be leveraged by DotMusic to become the first new gTLD to be community and industry adopted and to go mainstream. This feat cannot be achieved at such a scale under a .MUSIC gTLD model that lacks community-based policies serving the music community and has no multi-stakeholder governance structure. The semantic value of a new gTLD alone cannot convince an entire community to adopt it.

The semantic value of new gTLDs is currently the most prevalent value proposition to register a new domain. Semantic value, usage and general awareness will increase steadily over time for new gTLDs but more is needed to catapult that growth rate. It is a win-win situation for all players involved: ICANN will have more success stories to convincingly vindicate the launch of its New gTLD Program and to demonstrate that it has served the global public interest and increased competition, diversity and consumer choice. New gTLD registries (especially portfolio TLD registries) will also benefit because raised awareness and mainstream adoption of new gTLDs will persuade registrants to choose new gTLDs over .COM because the risk of confusion and lack of awareness of the existence of new gTLDs will have decreased. As more gTLDs are used and marketed globally, the growth of new gTLDs will increase dramatically given the multiplier effect benefiting all constituents involved.

The Way Forward: Collaboration and Co-opetition

The way forward for the domain industry is co-opetition, in which new gTLD registries act with what all stakeholders recognize as partial congruence of interests. This approach of co-operative competition based on shared mutually-beneficial interests would be similar to the culture adopted by the new gTLD applicants before the New gTLD Program was launched. Sharing a similar purpose ultimately convinced ICANN to launch the New gTLD Program. Today, the challenge is convincing the general public to register new gTLDs and proving the New gTLD Program's critics wrong. As one of the biggest advocates of ICANN's New gTLD Program, it is my belief that the only way to achieve this is through genuine co-operative effort, collaboration and working together to figure out how we can

accelerate new gTLD growth and awareness.

The [Business Ethics Journal Review](#) emphasizes the benefits of cooperation:

"Globalization has not just led to greater competition but also to an increase of cooperation. A successful business in times of globalization is not merely a good market actor but also an organization that is able to cooperate. It should be noted that from a theoretical point of view cooperation is a non-economic mode of social interaction (in opposition to exchange and competition) that, however, is highly relevant for concrete business practices since it might lead to positive economic consequences."

It has been adequately proven that competing directly with .COM is an unsustainable, losing battle. For long term success, growing profitability and sustainability, new gTLD registries will eventually have to collaborate to re-align their interests and business strategies under a shared value model in a manner that is beneficial to all parties in the domain value chain. Creating this indirect competitive advantage is ultimately the only way to compete with .COM: One for all, and all for one.

.MUSIC Will Go Mainstream Benefiting the New gTLD Program and ICANN

We believe that a community-based .MUSIC launch will propel ICANN's New gTLD Program to new heights benefiting all parties involved: the global music community, ICANN, new gTLD registries, registrars and society as a whole. A widespread, community-adopted .MUSIC has the highest chance of any gTLD to achieve the goal of a new gTLD going mainstream and becoming industry adopted to raise unprecedented new gTLD awareness with the general public.

As [Diffuser.fm points out](#), .MUSIC *"could be the biggest thing to happen to the web"* and live up to the expectations voiced in December 2015 at [Techcrunch Disrupt](#) as a *"game changing"* new gTLD and to become a *"global home and first-of-its-kind database for the music community"* as disclosed recently in [Billboard magazine](#).

DotMusic is in a prime position to jumpstart the New gTLD Program and create the necessary momentum to raise public awareness about new gTLDs. The domain community has a lot of positive developments to look forward to in 2016.

This post is part of the original article ["How .MUSIC will go mainstream and benefit ICANN's New gTLD Program."](#) For more information, visit the [.MUSIC website](#).

By [Constantine Roussos](#), Founder of DotMusic. Visit the blog maintained by Constantine Roussos [here](#).

Related topics: [DNS](#), [Domain Names](#), [Registry Services](#), [ICANN](#), [Policy & Regulation](#), [Top-Level Domains](#), [Web](#)

 [Twitter/circleid](#)

 [Facebook/circleid](#)

WEEKLY WRAP — Get CircleID's Weekly Summary Report by

Email:

Appendix L

IFPI/WIN "Investing in Music" Report 2016



INVESTING IN MUSIC



THE VALUE OF RECORD COMPANIES





Making music is about passion, inspiration, emotion and creative talent. However, it is not just a gift of human nature: it also requires an extraordinary amount of hard work, time, effort and sustained investment.

An enormous supporting cast of skilled, dedicated and passionate people are devoted to helping make the artist and their music a success. This behind-the-scenes community works in hundreds of different ways, in countless different roles, to support the artist and to take their work to a large audience of fans, often spanning the globe. It is no less important in today's music landscape than in the past – in fact it is more important. In a world of digital diversity and complexity, this help is needed more than ever before.

“Investing in Music” tells the story of the immense effort and skill of the team surrounding today's recording artists. It also shows how much financial investment is needed to help an artist pursue the career to which they aspire.

This is a truly impressive story, giving insight into the work of today's global music sector. As an artist who has witnessed their vital role over my long career, I salute the investors in music.

PLÁCIDO DOMINGO
CHAIRMAN, IFPI

IN THIS REPORT

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Music is about hard work and substantial investment

2

Record labels are the primary investors in music

3

Breaking down labels' US\$4.5 billion annual investment

4

Developing the digital market

5

Unlocking new revenue streams

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RECORD COMPANIES BRING INVESTMENT AND VALUE TO MUSIC

Music does not just happen. Taking a song from a concept to a recording and then distributing it around the world takes a huge amount of work, time and effort, and an array of people. There are the writers and recording artists, the creators and performers. There are those who discover and nurture artists, those who produce the recordings and the videos, and those who market and promote them. And there is the distribution, in physical and digital formats, to thousands of retail partners and digital services.

All this can demand substantial up-front investment, well before a single stream plays or an album goes on sale.

Success often also requires a long-term vision. The vast majority of albums do not break even financially, and those that do take time to do so. Nor is the true value of every artist or album immediately recognised and appreciated.

Record companies remain the largest investor in music, ploughing in more than US\$4.5 billion in 2015, or about 27 per cent of their revenues, into A&R and marketing. They have sustained this investment through recent years, even as the industry weathered two decades of revenue decline.

The partnership between artists and labels goes far beyond the financial. Record companies nurture artists, allowing them to develop their sound, their craft and their careers. Labels' marketing expertise and resources enable them to create and deliver cutting-edge campaigns that engage fans around the world. They help manage thousands of partners spanning the globe, requiring local expertise in each market with networks of relationships and marketing

and promotional resources. They help develop local artists in diverse languages across genres from classical to hip hop.

The investment from the record industry has also been essential in driving music's digital transition. Record companies build out the systems and infrastructure that enable the licensing of some 360 digital music services with more than 40 million tracks. As a result, today's music industry helps connect artists and their music with fans in multiple new formats – from buying downloads to subscription streaming and more.

This report is about record companies' enduring value to music. In the digital world, the nature of their work has evolved, but their core mission remains the same. It is the mission of discovering and breaking new artists, building their careers and bringing the best new music to fans. These are the defining qualities of record companies' investment in music.



FRANCES MOORE
CEO, IFPI



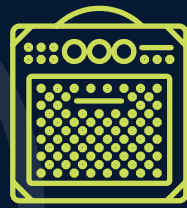
ALISON WENHAM
CEO, WIN

**THE INVESTMENT FROM RECORD COMPANIES HAS BEEN
ESSENTIAL IN DRIVING MUSIC'S DIGITAL TRANSFORMATION**

THE VALUE OF RECORD COMPANIES

US\$ **4.5**
BILLION

global investment in A&R
and marketing in 2015



27%

share of record company
revenues invested in
A&R and marketing

US **\$0.5 - \$2**
MILLION

the typical cost
of breaking a
worldwide-signed
artist in a major market
such as US and UK



360+

music sites serviced by record
labels worldwide





Music is about hard work and substantial investment

Music is being crafted, created, produced and enjoyed in more ways than ever before in history.

Virtually every artist who reaches the charts has partnered with a record company. They do so by choice, in a landscape that offers artists more ways to release their music than ever before. They choose this route for good reason: to gain the experience, expertise and significant investment that a record deal brings.

A record company works with a constellation of different teams, all centred around the artist. There are songwriters and producers, A&R (artist and repertoire) professionals, marketing, publicity, promotion and video production teams, as well as those in merchandising, accounting and distribution.

Those working in A&R discover artists and help them refine their music. Other teams see that albums are produced

and recorded to meet the highest audio standards and converted into the hundreds of digital formats used by the digital music services. They also ensure that CDs and vinyl are manufactured and shipped to record stores and retail partners.



RECORD COMPANIES PROVIDE SUPPORT IN THREE KEY WAYS:

1. DISCOVERING & NURTURING ARTISTS

enabling them to develop their sound and their craft.

2. PRODUCING THE WORK OF ARTISTS

producing their music and other forms of creative output (such as visual media or merchandise) so they can enjoy the greatest success creatively and commercially.

3. PROMOTING ARTISTS

Connecting them with fans in new and innovative ways.

Justin Bieber
Photo courtesy of Def Jam Recordings

Sia
Photo by Mary Ellen Matthews

Creative teams produce high-quality videos whilst promotional experts publicise and market artists and their music. Other teams manage essential backroom jobs: accounting for sales and consumption and delivering artists their royalty payments.

This work requires substantial investment. At the top end, a major international signing will cost between US\$0.5 million and US\$2 million to break in a major market such as the US or UK. That is the upfront investment only: it may or may not ever be recouped by the label on a specific album, which is why artist contracts often span several albums.

A MAJOR INTERNATIONAL SIGNING WILL COST BETWEEN US\$0.5 MILLION AND US\$2 MILLION TO BREAK IN A MAJOR MARKET

Labels' typical investment in a major new signing

	ADVANCES	US\$50,000 - 350,000
	RECORDING COSTS	US\$150,000 - 500,000
	VIDEO PRODUCTION	US\$25,000 - 300,000
	TOUR SUPPORT	US\$50,000 - 150,000
	MARKETING AND PROMOTION	US\$200,000 - 700,000
	TOTAL	US \$475,000 - 2,000,000

ADVANCES

Advances are commonly paid to artists to allow them to concentrate on writing, rehearsing and recording. These advances are non-returnable, but recoupable against future royalties. Record companies are therefore taking the risk in this highly competitive market.

RECORDING COSTS

These can vary widely between different artists and can reach as high as US\$500,000 for projects with the most sought-after producers and session musicians.

VIDEO PRODUCTION

Virtually all new releases involve the production of a video. Costs vary widely from US\$1,500 for a very small-scale production to US\$500,000 for superstar projects.

TOUR SUPPORT

Labels in many cases provide tour support for their artists. The longer duration of campaigns in the streaming world means that artists can be on the road for a longer period, promoting their material through live performances. They need funding to sustain this and it is often the record company that provides it.

MARKETING AND PROMOTION

This is the biggest item of spending, where labels have a key impact. As consumers increasingly access music digitally, marketing efforts have shifted substantially online, where labels create campaigns that directly link fans to artists and services where they can access their music.



Record labels are the primary investors in music

MUSIC COMPANIES INVEST

US\$4.5 BILLION ANNUALLY

IN DISCOVERING, NURTURING AND PROMOTING ARTISTS

No other segment of the music sector invests in artists on anything like this scale. No other third parties or music distributors invest any comparable sums in artists' careers.



THE GLOBAL RECORDED MUSIC INDUSTRY IN 2016 IS HIGHLY INVESTMENT-INTENSIVE, PLOUGHING

27%

OF ITS REVENUE BACK INTO DEVELOPING AND MARKETING ARTISTS.

The companies have maintained this share over many years, even as they have weathered downturns in the market.

FOCUS ON: Investment in local repertoire

Music has a unique power to unite people around the world. It can also serve as a celebration of a culture or community. Record companies invest heavily in local music, helped by a streaming world that has transformed the opportunities for local acts to reach fans. The recovery of streaming-dominated markets such as Norway and The Netherlands has increased investment in local artists. In major non-English language markets such as France and Germany, national repertoire has grown in importance in recent years.

Share of local acts in the national top 10 album chart, 2015:

ITALY	98%
FRANCE	98%
GERMANY	88%
UK	78%
NETHERLANDS	55%



Local artists emerging through streaming

Streaming can help local artists cut through more effectively to their fan base. Dutch independent record company, Cloud 9, has been at the forefront of developing the urban music scene in The Netherlands – stepping up its spending on local acts by more than 300% in the last two years and signing pioneering local artists such as Sevn Alias.

Sevn Alias
Photo by Ruud Baan



Breaking down labels' US\$4.5 billion annual investment

Record companies' annual US\$4.5 billion investment (or about 27 per cent of their annual revenues) breaks down into two primary areas:

A&R (or Artists & Repertoire), the discovery and development of artists

– representing more than US\$2.8 billion every year.

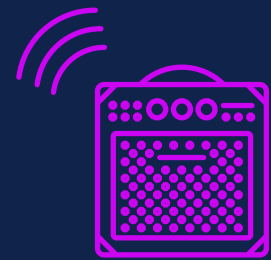
Marketing, the campaigns that promote artists and their music, bringing them to fans' attention around the world – which totals over US\$1.7 billion annually.

US\$4.5 BILLION INVESTMENT



MARKETING & PROMOTIONAL CAMPAIGNS

US\$1.7 BILLION



ARTISTS & REPERTOIRE (A&R)

US\$2.8 BILLION

THIS INVESTMENT IN A&R HAS INCREASED FROM US\$2.5 BILLION IN 2013

The 1975
Photo courtesy of Universal Music

FOCUS ON:

A&R (Artists and Repertoire) – nurturing talent

The ability to discover, nurture and break a recording artist is a defining skill and asset of the record companies. They invest US\$2.8 billion (or about 17 per cent of revenues) a year in discovering and developing artists, with a view to achieving commercial success with their acts. This investment in A&R has increased from US\$2.5 billion in 2013.

It is an activity full of risk. Some labels estimate the ratio of commercial success to failure as 1 in 4; others consider the chances to be much lower – less than 1 in 10. It is the record companies alone that shoulder this considerable risk.

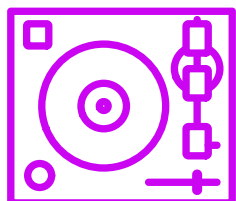
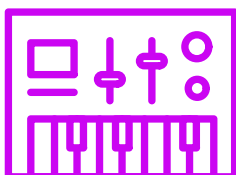
There are tens of thousands of artists on label rosters worldwide. Newly-signed artists are the lifeblood of a record company's business and around one-fifth of all roster artists are new signings from the previous 12 months.

In addition to financial support, a record company provides artists with access to a wealth of experience, expertise and a network of connections. They collaborate creatively with developing artists, helping them to realise their vision for how they want their music to sound and how they want to express this visually to their fans.

The early backing of a record label also acts as a signal to other players in the industry – from songwriters to record producers – that this artist has strong potential.

How music's global 16.9% A&R investment compares with other sectors' R&D investment

Recorded music is an exceptionally investment intensive business. The proportion of revenue invested in A&R remains higher than the equivalent spent on research and development (or R&D) by any other sector. This is highlighted by the European Union's Industrial R&D Investment Scoreboard 2015.



A&R INVESTMENT (OR R&D EQUIVALENT) BY INDUSTRY

MUSIC 16.9%

PHARMACEUTICALS & BIOTECHNOLOGY	14.4%
SOFTWARE & COMPUTER SERVICES	10.1%
TECHNOLOGY HARDWARE & EQUIPMENT	8.0%
LEISURE GOODS	5.8%
AEROSPACE & DEFENCE	4.5%
ELECTRONIC & ELECTRICAL EQUIPMENT	4.5%
AUTOMOBILE & PARTS	4.4%
HEALTHCARE EQUIPMENT & SERVICES	3.8%
INDUSTRIAL ENGINEERING	2.9%
CHEMICALS	2.6%

Source: 2015 EU Industrial R&D Investment Scoreboard. R&D intensity is the ratio between R&D investment and the net sales of a company or group of companies

FOCUS ON: Marketing – smarter, wider, better

Record companies invest more than **US\$1.7 billion annually** in marketing artists. They also assign expert teams to create and deliver the campaigns that break their music worldwide.

These teams will work with an artist to develop a bespoke campaign. They create content that tells a compelling story about the artist and their music and find the right channels to appeal to their future fan base.

A global marketing team at a major record company can coordinate as many as 1,500 marketing people worldwide. They will use their local connections and expertise to promote an act in individual markets around the world.



RECORD COMPANIES SPEND

US\$1.7 BILLION

A N N U A L L Y

IN MARKETING ARTISTS

A streaming world

The streaming world has dramatically changed the economics of marketing new releases, creating new opportunities and risks. Streaming services can sustain the popularity of new releases over a long period of time, but they also require a longer period of marketing investment.

On streaming services, where revenue is generated by the number of times a track is listened to, it can take about a third longer, compared to physical and download formats, for a company to recoup its investment in an artist. Consequently, record companies are now funding and supporting sustained marketing campaigns for a longer period of time with the aim of achieving commercial success with their act.



Maitre Gims

BREAKING

**BEYOND
BORDERS**

Congolese-born rapper and singer, Maitre Gims, first found success as a solo artist in France. Signed to Wati B, under exclusive licence to Jive Epic (a division of Sony Music France), he is now breaking through to other European countries while still singing and rapping in French.



Sia

Australian artist Sia has found success both as a songwriter, penning huge hits for Rihanna, Beyoncé and Katy Perry, and as a global superstar in her own right. Well known for being camera shy, her label helped promote the music with non-traditional marketing tactics led by creative visuals for multiple hit records. Her music resonates with fans around the globe.

The 1975

The 1975 have found huge success with their recent album, topping both the UK and US charts and earning a Mercury Prize nomination in the UK. They have created a strong visual identity to distinguish their music and live performances.



Christine and the Queens

Indie pop star, Christine and the Queens, is a French artist who has launched out of her native market to achieve huge success internationally since releasing her first EP in 2012. Developed in France by her record company, Because Music, and singing in two languages, she has now broken into the US, UK, other European markets and Australia in recent years.



1,500

MARKETING EXPERTS

Christine and the Queens
Photo by DR

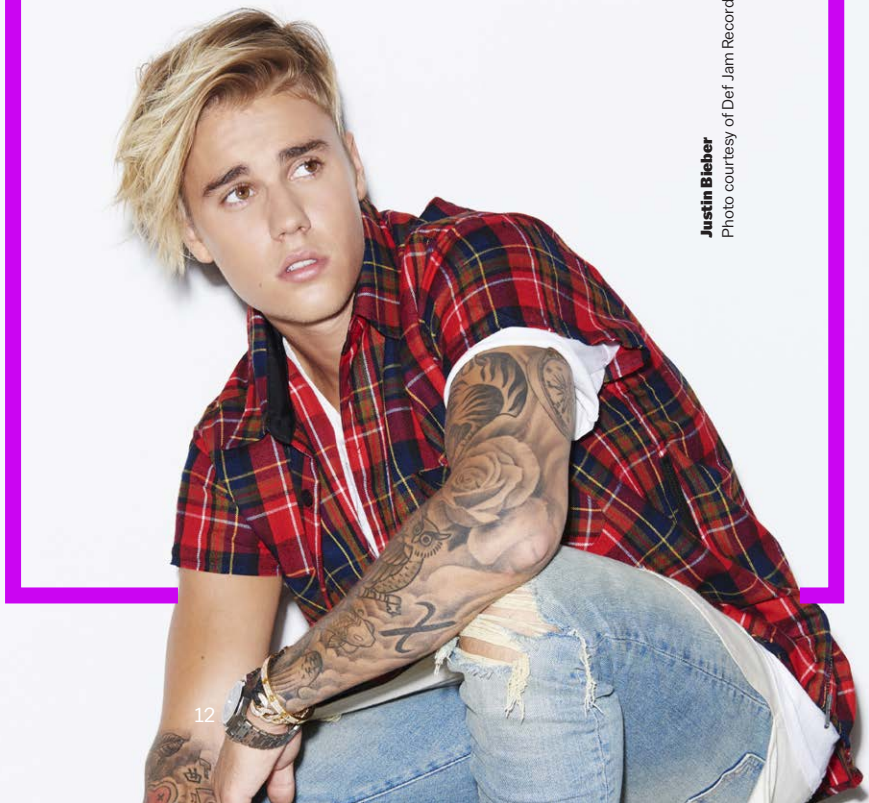
The 1975
Photo courtesy of Universal Music

HARNESING A GLOBAL TEAM -

WITH LOCAL EXPERTISE

Justin Bieber

With Justin Bieber's album, Purpose, his record company harnessed its global reach in coordination with local teams around the world. In total around 1,500 marketing experts were involved in launching it to his fans, helping to make it a huge global success.



Justin Bieber
Photo courtesy of Def Jam Recordings



Developing the digital market

LI RONGHAO
Photo courtesy of Warner Music Group

In addition to investing directly in artists, music companies also invest, along with distributors, in the fast-developing infrastructure of the digital market.

Servicing a supply chain with around 360 licensed digital services worldwide brings significant costs. Substantial investment goes into systems to manage the large and complex task of efficiently and securely distributing more than 40 million recordings, videos and images across multiple platforms. This ensures the right music is made available around the world in the right format.

These systems also ensure the revenue generated can be tracked and distributed accurately whilst also providing huge amounts of data about where the music is being listened to in order to inform their approach to marketing and promoting artists.

LI RONGHAO

Singer songwriter Li Ronghao has developed from a breakthrough artist in China to one of the biggest regional superstars, built up by Warner Music, enjoying success in Taiwan, Hong Kong, Singapore and Malaysia.

This investment remains constant as record companies adapt to keep pace with the needs of each individual digital service as well as those of the fans, artists and managers.

Record companies have also invested heavily in the development of “portals” that show artists and their managers how and where their music is being consumed and the revenues being generated. These are designed to be easily accessible and can provide up to date information that can be filtered in different ways to show an artist how their music is being listened to on digital services and around the world.



**MUSIC SITES
SERVICED BY RECORD
LABELS WORLDWIDE**

**SYSTEMS TO
MANAGE MORE
THAN 40 MILLION
RECORDINGS**





Unlocking new revenue streams

Anitta
Photo courtesy of Warner Music Group

The record company's investment is the seed that can build a career generating an array of other revenue streams. Once a record company has helped an artist to break through to an audience with their music, further revenue opportunities can be developed.

These can directly relate to their music – such as licensing a track for use in a movie, TV programme or video game – or draw on the wider 'brand' of the artist – where they may endorse a product or even develop products of their own. Individual artists commonly earn up to 90 per cent of the revenues earned from a branding partnership, and music has been the catalyst for this.

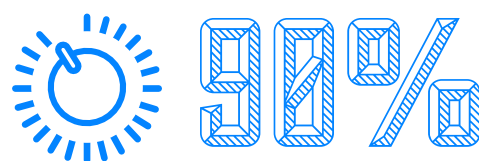
ANITTA

Brazilian recording artist Anitta is working with her record company to take her enormous success in Latin America to Europe and the US. She participates in partnerships with a number of leading brands including Danio-Nestlé, Fiat, Pepsi and Samsung.

A record company may have as many as 200 long-term brand partnerships active on behalf of their artists at any point in time. In careful collaboration with their artists, record companies actively seek out, develop and secure these opportunities.



INDIVIDUAL ARTISTS COMMONLY EARN UP TO



OF THE REVENUES FROM A BRAND PARTNERSHIP

