.jp and Japanese Law

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Contractual framework of .JP management
- before 21 May 2016 -

They together have a power to replace JPRS to another depending on the assessment result.

Consultation (re. .jp oversight)
Report & Assess (Registry system, Whois, DNS organization)

ICANN
JPNIC
JPRS

gov.
membership organization
private company

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Contractual framework of .JP management
- effective on 21 May 2016 -

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Obligations of TLD Registries
- under amended telecommunications business law -

• TLD Registries that have to observe amended telecommunications business law
  – JPRS (.jp)
  – GMO Domain Registry (.nagoya, .tokyo, .yokohama)
  – Business Ralliart (.okinawa)
  – Interlink (.osaka)

• What obligations
  1. Making documents of internal rules for administration of their telecommunications facilities and submitting them to gov.
  2. Providing fair services without refusal
  3. Reporting significant accidents to gov.
     • Significant DNS failure (at the time of accident without delay)
     • Less significant failure (quarterly)
  4. Publication of financial accounting statements (every year)
  5. ….
How JPRS contends with the obligation
- 1. documentation of internal administrative rules -

• Documentation of administrative procedures
  – Operation in usual situation
  – Operation in emergency situation (accidental situation)
  – System design and implementation considering future market demand and possible crisis
  – Security policy and its implementation
  → not a big issue for us because they were/are all or almost documented

• Designation of responsible persons and reporting it to gov.
  – Top responsible manager of telecommunications facilities
  – Responsible persons of each division in administration of the service operation
  → not a big issue for us because they were/are all or almost designated and documented
How JPRS contends with the obligation
- 2. providing fair services without refusal -

• Registry must provide a fair service to the registrants
  → not a big issue for us because Registry operates neutrally to all the Registrants and Applicants for registration
  → they were/are all or almost documented

  – However, definition of fairness is not given by the law or decree
    e.g., it is not defined whether deleting a DNS entry from the zone file due to abusive Web content is against fairness to the Registrants
  → Even gov. does not have an answer to the above at this moment.
    Registry, Registrar, and gov. (and maybe Registrants) cooperatively need to work on the definition of fairness.
How JPRS contends with the obligation
- 3. reporting significant accidents to gov. -

• Significant accidents (threshold)
  – 1,000,000 domain names influenced for 1 hour
  – 30,000 domain names influenced for 2 hours

• Report of outage with huge influence
  – DNS failure (every time without delay)
    • If Registry uses DNS services provided by other organizations, it needs to obtain formal reports about their DNS outage (every time without delay) even if their outage is less intensive than the significance threshold described above

→ Registry must cautiously define the workflow and the scope of information collection & reporting
→ Contracts with outsource DNS operators need to be amended for Registry to be able to impose SLAs and reporting responsibility on them
How JPRS contends with the obligation
- 4. publication of financial accounting statements -

• Basic financial information
  – P&L (profit and loss statement)
  – BS (balance sheet)
  – Supplementary statements for P&L and BS

• Domain name related services are considered to be a single bundled business unit

→ not a big issue for us because we report such statements to our shareholders
  – However … we don’t like this because
    • It is not defined about what are domain name related services
    • Exposure of the financial status of domain name related services nearly equals to exposure of the financial status of other businesses and may negatively impact our market competitive power
    • Transparency often leads to a demand for more transparency – even if no one thinks about how to use such disclosed information

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In summary
- regulation has pros&cons -

• Pros
  – Designation as a registry
    • gov. formally recognizes JPRS as a unique registry of .jp
    • The status of .jp registry becomes solid and formal by notifying the status quo to gov., not by bid or gov.al-designation
    • The term of the registry is permanent, unless registry goes bad
  – Confirmation of the appropriateness of what we were doing
    • Most of the demands requested by the law were already implemented by us
  – Formality our information disclosure
    • Service outage and financial status had been disclosed spontaneously in voluntary format on our web-site with voluntary criteria, but now they can be disclosed and reported formally with the criteria given by gov.

• Cons
  – So far, the Internet had been developed and operated by community without intervened by gov., but now gov. has a say
  – Can be a slippery slope