

Controversial Dot.ORG Sale Blocked

06.04.20 | Linda J. Rosenthal, JD



Back in the waning days of 2019, we alerted you to a troubling development in the tech world: The regulation of the dot.ORG domain-name assignments was being removed from a nonprofit entity and sold to a for-profit group. See [Your Dot ORG Domain May Soon Cost More](#) (December 4, 2019).

The secretive and highly irregular back story to this move raised blaring alarms and red flags for the tech and nonprofit worlds once they got wind of what looked like a very bad “done deal.” The outrage picked up steam and by early 2020, there were efforts underway to turn this around. See [The Dot.ORG Sale: New Developments](#) (January 9, 2020).

An *ad hoc* group called [Save.ORG](#) created a petition drive, which was supported and publicized by the Electronic Frontier Foundation as well as the National Council of Nonprofits. Suddenly, people started paying attention although this was – at best – a long-shot to succeed.

Sometimes, though, “we the people” win. It happened here, with a big boost by the California Attorney General, Xavier Becerra.

Why The dot.ORG Domain Registration is a Big Deal

By way of background, we explained in our [December 4th post](#) that “[i]n the 1990’s, in the earliest days of the internet, engineers and researchers created two 501(c)(3) in California – where else? – to bring some semblance of order to this emerging technology. These two organizations, [The Internet Society \(ISOC\)](#) and the [Internet Corporation for Assigned Names and Numbers \(ICANN\)](#), continue in these oversight and management roles to the current day.”

Then, “[i]n about 2003, a smaller California 501(c)(3), the Public Interest Registry (PIR), was [created to manage and preserve the special domain registries](#) available to nonprofit and nongovernmental

organizations.”

Fast forward to November 2019: “PIR announced its ‘sale’ to a newly created for-profit investment firm” called Ethos Corporation.

The sheer chutzpah of the insiders who formed Ethos Corporation in choosing that name is breathtaking. The word “ethos” is a “Greek word meaning ‘character’ that is used to describe the guiding beliefs or ideals that characterize a community, nation, or ideology.” The word “Ethos forms the root of ethikos (~~ethikos~~), meaning ‘morality, showing moral character.’”

But this new entity “has no track record or expertise in – well – anything, much less running a domain name registry in the public interest. What it does have, though, are not-well-concealed ties with current and former insiders of PIR, ISOC, and ICAAN.” For additional background on the sordid details, see – for instance – Internet world despairs as non-profit .org sold for \$\$\$\$ to private equity firm, price caps axed (November 20, 2019) and the Save.ORG site.

These insiders, when confronted by the opposition, brushed aside objections to the sale, saying that it’s no big deal if the regulatory body for dot.ORG domain names is a nonprofit or a for-profit.

It is, in fact, a big deal, and lots of people in the tech world and in the nonprofit world kicked up a storm. The sale, after all, was announced as a done deal but in fact was not scheduled to be closed or consummated until January 2020.

Opposition to dot.ORG Sale Kicks Up

Fast forward a few months: the opposition continued in full force and gained the support and attention of the California Attorney General – (with jurisdiction over 501(c)(3)s in this state) – who sent a scathing letter to ICAAN urging it “to reject the transfer of control over the .ORG registry to Ethos Capital” because “[t]he proposed transfer raises serious concerns that cannot be overlooked.” AG Becerra went on to describe his serious concerns for five long pages.

By April 30, 2020, the ICAAN board faced reality and the tidal wave of opposition and rescinded its “approval” of the late 2019 “sale” of PIR to Ethos Corporation. See Stakeholder Feedback and AG Intervention Halt the Sale of .ORG (May 1, 2020) Jason Schneiderman, *The Nonprofit Quarterly* and Preserving ICANN’s Independence Through Bold Action – Not Inaction (April 29, 2020) Mitch Stoltz, Senior Staff Attorney, Electronic Frontier Foundation.

Conclusion

“Over 800 nonprofit organizations have publicly objected, along with over 50,000 individual Internet users, representatives of several governments, two United Nations Special Rapporteurs on Freedom of Expression, and respected members of the Internet governance community. That’s what turned the tide, and – of course – “getting on the bad side of a state attorney general is never a good idea. All the more so when the attorney general is the regulating entity over you, as California’s is over ICANN.”

And don't forget that this grass-roots effort continued into the period when all of us have been preoccupied with the global pandemic catastrophe.