

## 2007 NAMES POLICY PANEL

Fourth Meeting  
19 June 2007, 2.00-5.00pm  
Maddocks Lawyers, Sydney

### MINUTES

#### Present:

Bruce Arnold, Philip Argy, Darrell Burkey, Simon Delzoppo, Brett Fenton, Peter Firminger, David Goldstein, Kim Heitman, Graham Ingram, Amin Kroll, Jo Lim, Jamie Murphy, Bennett Oprysa, Holly Raiche, Dean Shannon (proxy for Jeff Marr), Tony Steven, Derek Whitehead

#### Teleconference:

Michael Bouy

#### Apologies:

Grace Chu Te, Sally Foreman, Andrew McCullough, George Pongas, Paul Szyndler, Bruce Tonkin, Alex Woerndle

#### Actions:

- DW and JL to draft a paper that sets out the key issues and possible approaches on secondary market.
- Panel members to email the list with examples of domain name transfer scenarios that should or should not be allowed under policy.

#### Discussion:

##### *1. Public consultation outcomes*

The Panel received 48 submissions (including 3 marked confidential). A summary of submissions is at Attachment A.

The Panel noted that some submissions were more substantive than others, and some came from representative organisations, therefore simple numbers were not the best way to determine the level of support for arguments put forward in the Issues Paper. It was noted that the consultation process was not a plebiscite, rather a way for the Panel to obtain information and ideas to help progress its own deliberations. However, the extent to which particular viewpoints are held is also relevant.

The Panel's next public report will contain its draft recommendations to the auDA board.

##### *2. Discussion of issues*

###### *a. Direct registrations*

The Panel noted that:

- there is no groundswell of support among the general community for opening up .au to direct registrations
- even amongst those in favour of direct registrations, there is little likelihood of agreement on a method for implementation.

For these reasons, the Panel agreed that it would recommend to the auDA board that .au should not be opened up to direct registrations at this time.

It was suggested that opening up .au may be more achievable in future, with the possibility that technological developments could help to overcome some of the implementation difficulties.

#### *b. Secondary market*

The Panel noted that there is no clear consensus of opinion on allowing registrants to sell their .au domain names, and proponents on both sides of the argument hold their views very strongly.

The Panel considered reasons why a registrant might want to transfer their domain name outside the transfer scenarios currently allowed under auDA policy.

- Example 1: “Pernell’s Plumbing” is the registrant of pernell.com.au and decides they no longer need the domain name for their business so they will transfer it to “Pernell’s Mercedes” car dealership. The registrant is not selling their plumbing business to the car dealership, so under current policy the transfer would not appear to be permitted.
- Example 2: A registrant forgets to renew their domain name and when it expires it is registered by another party. The new registrant is willing to give the domain name back to the old registrant, but under current policy the transfer would not be permitted.

It was suggested that a relinquishment mechanism similar to the business names system might be appropriate, whereby the old registrant lodges a “notice of ceasing” simultaneously with the new registrant’s application for the name. This is similar to the “delete/re-register” process that Melbourne IT used when it controlled com.au.

Some Panel members expressed concern that allowing a secondary market would result in a windfall gain for existing domainers, and would encourage new entrants into the monetisation business by reducing the risk and cost. Other Panel members argued that it is naïve not to acknowledge that domainers are already registering all the “good” names, and a secondary market would provide a mechanism for transferring domain names to those with the best use for them.

It was pointed out that changes made to the policy framework in the past make it difficult to justify a continued ban on resale of domain names. Allowing people to register multiple domain names, and more significantly allowing registration for the purpose of monetisation, have resulted in registrants being able to build large domain name portfolios and they expect to be able to realise the value of their assets.

Some Panel members felt that, whilst it may be desirable for the policy to accommodate a broader range of legitimate one-to-one transfers, it would be undesirable for the policy to expressly permit or facilitate an open secondary market in domain names.

The Panel noted that the .au eligibility criteria would minimise the available pool of buyers for any particular domain name, and the policy rules could be modified to

include other conditions aimed at preventing stockpiling and speculation. Suggestions included:

- imposing a transfer fee (in addition to any administration fees charged by registrars)
- maintaining the current ban on advertising a domain name for sale
- restricting the number of transfers per registrant
- only allowing resale through licensed domain name brokers
- excluding monetised domain names from resale.

In order to progress discussion at the next meeting, DW and JL will draft a paper that sets out the key issues and possible approaches. Panel members were asked to email the list with examples of domain name transfer scenarios that should or should not be allowed.

### *c. Policy rules*

The Panel noted that less than half of the submissions commented on the policy rules, and still fewer put forward any proposals for change. Proposals included:

- changes to address gaps and deficiencies in the existing 2LD taxonomy
- tightening or relaxing the close and substantial connection rule
- removing manual verification of registrant ID details (eg. ACN, ABN)
- changing the fixed 2 year licence period.

The Panel will discuss the policy rules in more detail at the next meeting.

### **Next meeting:**

Tuesday 10 July, 2-5pm in Melbourne

