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# **2015 NPP Meeting - 5 March 2015**

#### Attendance:

Philip Argy, Jeremy Blackman, Andrew Christie, Gavin Collins, James Deck, Adele Flego, Brett Fenton, George Fong, Erhan Karabardak, Jon Lawrence, Jo Lim, Joe Manariti, Ned O'Meara, Anthony Peake, Holly Raiche, Derek Whitehead, Maggie Whitnall (proxy for George Pongas), Miguel Wood

#### Teleconference:

Peter Mead, Nicole Murdoch, Cobey Parnell

#### Apologies:

David Goldstein, Dan Hunter, George Pongas, Bridget Smith

#### Actions:

- JoL to circulate 2007 survey results to Panel.
- DW and JoL to revise draft Issues Paper based on discussion at the meeting.
- 1. Confirmation of 5 February minutes

The minutes were confirmed.

2. Review and discussion of issues

The Panel discussed the first issue under the Terms of Reference.

Should .au be opened up to direct registrations (eg. domainname.au)?

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- DW noted that .au has been "opened up" incrementally as a result of each Panel review since 2000 (eg. allowing multiple domain names per entity, release of generic names, creation of new 2LDs, facilitation of the secondary market). All Panels have been inclined to make .au more open, but with a strong focus on maintaining the overall integrity of the .au space.
- · Panel members identified some possible reasons in favour of allowing direct registrations, including:
  - meeting market demand
  - making domain names more available and/or attractive to new registrants
  - widening consumer choice

- shorter and more memorable domain names
- more "prestigious" or "premium" domain names
- strengthening the .au brand in the face of competition from new gTLDs.
- Panel members also identified some possible reasons against allowing direct registrations, including:
  - devaluation of existing domain names
  - rebranding and transition costs for existing registrants who want, or feel compelled, to change to a direct registration
  - potential for a high number of defensive registrations
  - potential for higher drop-off rates in the .au 2LDs
  - how to manage conflict between existing registrants with the same name in different 2LDs
  - risk of cybersquatting
  - dilution of the .au brand.
- Panel members discussed the relevance of international experience, in particular the example of ccTLDs like
  .nz, .uk, .fr and .no. Some Panel members felt that there is a need for Australia to keep up with its peers,
  whilst others were wary of taking an "everyone else is doing it so why don't we?" approach. It was generally
  agreed that the Panel needs to make a positive case for change, ie. why should we do this, rather than why
  shouldn't we.
- Panel members discussed whether there is any strong evidence of market demand for direct registrations in .au. One registrar advised that over the past 6 months there were 1,600 customer searches on their website for direct .au names, which constitutes a very small percentage of total name searches, but could indicate that there is some consumer interest in direct registrations. It was suggested that another possible measure of demand for direct registrations might be information from registrars about their back-orders, as that is an indication of the number of people who want to register a name that is already taken and therefore might be willing to register that same name in a new space.
- Some Panel members were of the view that direct registrations could be a way of addressing perceived market demand for individual domain names. It was suggested that individuals are not well accommodated within the current 2LD hierarchy, because the ABN requirement acts as a barrier for com.au/net.au registrations, and id.au is not attractive or well-known. Information about the number of Australians who have a .me domain name (the ccTLD for Montenegro, but marketed for individual use) could be a way of measuring demand for individual registrations within .au. It was also noted that individual registrations could be facilitated in other ways, eg. by changing the 2LD policy rules.
- There was general discussion about whether people really care about the type of domain name they register or perceive any difference between domain extensions. It was suggested that most businesses just want an online presence that their customers can easily find in a Google search, and the choice of domain name is not important. Panel members noted that recent changes to Google's ranking algorithm have devalued the use of domain names for SEO purposes. On the other hand, search engines do still promote domain names in search results to help users better assess the relevance of different links, and ccTLD domain names are prioritised in the country of search.
- Panel members discussed whether the benefits of direct registrations in relation to better availability and accessibility of names, would be undermined by large numbers of defensive registrations (ie. existing registrants registering their com.au or other name under .au). Currently, the majority of .uk registrations are held by the registrant of the matching co.uk name. Some Panel members thought that existing registants would feel compelled to defensively register their name, which would be costly and inconvenient for the registrant, and would also limit the availability of names to new users. However, it was pointed out that defensive registrations are not currently widespread eg. the majority of com.au registrants have not registered the matching net.au name, and to date there has been low take-up of .melbourne and .sydney names by registrants of .au names. One registrar advised that the average number of domain names in a retail customer account is 1.5-1.7, suggesting that the majority of registrants do not defensively register their name in multiple spaces. Panel members noted that the extent to which people feel they need to register

defensively depends on the policy rules that are in place in each space, and the availability of other remedies that are available to protect their brand.

If yes, should there be any policy rules, and if so what rules?

- The Panel agreed the two paramount values underpinning the .au space are that it is for Australians, and it is a well regulated space. There was no suggestion that non-Australians should be able to register in .au, or that regulation should be removed. Questions were raised about the efficacy of the current 2LD rules, however most Panel members felt that the fact that there may be some loopholes does not diminish the overall value of regulation. There was general consensus that an "open slather" approach would undermine the relative integrity of the .au space, and the majority of Panel members were in favour of imposing some form of restriction on direct registrations, even if only a basic local presence requirement.
- The Panel discussed the option of applying existing 2LD policy rules to direct registrations. Whilst it would not be possible to apply all the rules together, given the rules are not the same in each 2LD, it would be possible to apply a combination of 2LD rules. For example, it was suggested that in order to register directly in .au, the registrant would need to meet one of the eligibility criteria in an open 2LD. This would have the advantage of maintaining consistency and not introducing any new eligibility criteria, but would disenfranchise people who are currently ineligible for a .au domain name which some Panel members thought would defeat one of the possible reasons for allowing direct registrations.
- There was discussion about whether or not direct registrations should be regarded as "premium" domain names. This could be established via highly restrictive policy rules, or higher pricing, or a combination of both. Most Panel members were uncomfortable with this idea, arguing that it should be left to the market to determine pricing. There was also a suggestion that .au could follow the example of .jp and others, by having a fairly relaxed direct registrations policy and tightening up the policy rules in the open 2LDs thereby making com.au etc the "premium" domain names. Again, most Panel members were generally not in favour of differentiating any particular domain names as "premium".
- It was suggested that direct registrations should be required to be used by the registrant within a period of time, rather than parked or left undelegated. Panel members questioned the types of uses that would be deemed acceptable, and raised concerns about auDA's role in regulating use versus registration of domain names.
- Concerns were raised about direct registations becoming de facto new 2LDs eg. the registrant of lawyers.au might set up a private registry and sell 3LDs to the general public. Some Panel members thought that this raised integrity issues, in relation to ensuring that 3LD registrations were properly regulated and did not undermine .au policy rules. Private registries (ie. those operating outside the authoritative registry database) could also pose risks to the technical stability of the DNS, and to consumer protection within the .au space. It would also run counter to auDA's stated policy on the creation of new 2LDs, which is that they must operate on the same basis as the current open 2LDs and must not be controlled by an entity other than auDA.
- Panel members gave some consideration to particular groups with a national identity that might most
  appropriately sit under .au, because they do not logically fit within any of the existing 2LDs. The only example
  given at the meeting was Aboriginal nations. It was suggested that these groups (and possibly others) could
  be accommodated by the creation of a new 2LD.

#### Public consultation

- The Panel agreed that opening up .au would have a significant impact on a wide range of stakeholders, and so there is a need for extensive communication and consultation. The Panel noted the substantial efforts made by Nominet to consult widely about direct registrations in .uk.
- Panel members agreed that consultations should not focus on commercial interests alone; that it is important to take account of the views of users of the DNS, and not just registrants; and to remember that a website is

- not the only use of a domain name.
- Panel members were in favour of conducting a survey, with the caveat that the survey questions would need to be framed carefully to ensure that the results were robust and credible.
- It was agreed that the Panel's first consultation paper should canvass all the issues in a neutral way and not put forward any opinions at this stage.

### 3. Next meeting

The next Panel meeting will be held on Thursday 2 April 2015, 2pm-5pm, at the auDA office in Melbourne.

The meeting will consider the next iteration of the draft Issues Paper, as well as the other two issues listed in the Terms of Reference (in relation to existing policy rules).

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