

From: [REDACTED]
To: [LRreview](#)
Subject: [EXTERNAL] - Submission – .au Licensing Rules Review 2025 – Priority Allocation Process Failure
Date: Tuesday, 31 March 2026 4:23:00 PM

Hi auDA,

Please find enclosed my submission to the **.au Licensing Rules Review 2025**.

This submission is informed by a real-world case (outlined in my prior email) and focuses on structural issues within the priority allocation process, specifically around withdrawal execution and transfer of eligibility during contention.

This issue resulted in legal proceedings and a court-ordered settlement, yet the domain remains incorrectly contested.

I would be happy to provide further detail if required.

Regards,

[REDACTED]

Submission

1. Submitter Details

Name: [REDACTED]

Email: [REDACTED]

Location: Victoria, Australia

2. Summary of Issue

This submission highlights a **structural failure in the .au priority allocation process**, where:

- A valid withdrawal agreement was made and paid for
- The withdrawal was not correctly executed in the auDA system
- The eligibility domain was transferred to a third party
- The third party inherited and continues contention
- The priority system now produces an outcome inconsistent with both:
 - The agreement between original parties
 - The intended operation of auDA rules

This demonstrates a **gap in the licensing rules regarding withdrawal finalisation and transfer of eligibility during contention**.

3. Background (Real Case Example)

- I held [REDACTED].net.au and applied for [REDACTED].au
- Another party ([REDACTED]) held [REDACTED].com.au and also applied → contention

Agreement:

- On 5 October 2023:
 - We agreed I would pay **\$1,500**
 - In exchange for **withdrawal of his application**
- Payment was made on 7 October 2023

Failure:

- The withdrawal was **not properly executed via auDA process**
- auDA later confirmed the application was **still active and renewed**

Transfer:

- The counterparty then:
 - Sold [REDACTED].com.au to a third party ([REDACTED])
- This transferred the **active contention**

Current Outcome:

- The third party:
 - Continues contention
 - Refuses to withdraw
- The domain remains contested despite:
 - Payment
 - Agreement
 - Legal action confirming breach

4. Why This Is a Policy Problem

This is **not just a contractual dispute** — it exposes a **system-level flaw**:

4.1 Withdrawal Is Not Safely Enforced

- The system allows:
 - A party to agree to withdraw
 - But fail to complete the technical process
- There is **no enforcement or validation mechanism**

4.2 Eligibility Can Be Transferred Mid-Contestation

- A domain ([REDACTED].com.au) can be transferred:
 - While contention is unresolved
- This allows:
 - A new party to inherit contention

- Even where the original party had agreed to withdraw

4.3 No Link Between Agreements and Registry State

- auDA:
 - Recognises registry state only
 - Not contractual agreements between parties

Result:

- The system can produce outcomes that are:
 - Legally inconsistent
 - Commercially unfair

4.4 No Remediation Mechanism

- There is no process to:
 - Correct an incorrect contention state
 - Reflect agreements already executed (and paid for)

5. Impact on Trust in .au

This issue undermines:

- Confidence in **priority allocation fairness**
- The expectation that:
 - Agreements will be reflected in outcomes
- Protection of registrants acting in **good faith**

It also enables:

- Strategic or opportunistic behaviour
- Exploitation of process gaps

6. Recommendations

I recommend the Panel consider the following changes:

6.1 Enforced Withdrawal Completion

Require that:

- A withdrawal agreement must be:
 - Completed via registrar / auDA process **before eligibility transfer**
- OR:
 - Automatically enforced where payment evidence exists (dispute pathway)

6.2 Locking Mechanism During Contention

Introduce a rule that:

- Prevents transfer of eligibility domains (e.g. *com.au*)
- While:
 - Priority contention is unresolved
 - OR withdrawal is pending

6.3 Binding Withdrawal Declaration

Introduce a formal mechanism:

- Where a party declares withdrawal:
 - That declaration is binding and recorded
 - Cannot be reversed or transferred

6.4 Post-Transfer Liability Rules

Where transfer occurs:

- New registrant should:
 - Not inherit contention rights that were contractually extinguished
 - Or be required to honour prior withdrawal commitments

6.5 Dispute Correction Mechanism

Create a process allowing auDA to:

- Correct priority allocation outcomes where:
 - Evidence shows withdrawal was agreed and paid for
- Without requiring full legal proceedings

7. Closing Statement

This case demonstrates that the current rules:

Allow registry state to override contractual reality

This creates outcomes that are:

- Inconsistent
- Unfair
- Avoidable with relatively minor policy improvements

I strongly encourage the Panel to address this gap to ensure:

- The priority allocation system operates as intended
- Good-faith participants are protected
- Confidence in the .au namespace is maintained

