

CLARIFICATION OF DOMAIN NAME LICENCE - PROHIBITION ON SALE OF DOMAIN NAME BY REGISTRANT

1. BACKGROUND

- 1.1 This document clarifies the terms and conditions of a domain name licence in the .au domain, with respect to offering a domain name for sale.
- 1.2 Under clauses 10.1 and 10.2 of the Registrar Agreement, accredited registrars are required to enter into a binding and enforceable Registrant Agreement (domain name licence) with a registrant which contains a number of minimum provisions, including:
 - a) the registrant must not, directly or indirectly, through registration or use of its domain name or otherwise, register a domain name for the purpose of selling it; and
 - b) the registrant must not in any way transfer or purport to transfer a proprietary right in any domain name registration.

2. PROHIBITION ON SALE OF DOMAIN NAME BY REGISTRANT

- 2.1 There are no proprietary rights in a domain name. A registrant does not "own" their domain name, instead they hold a licence to use the domain name for a specified period of time and subject to the licence terms and conditions.
- 2.2 Because the registrant does not have a proprietary right in the domain name, it is not legally possible for the registrant to "sell" the domain name. By offering to sell their domain name to another party, the registrant is in breach of the terms and conditions of their domain name licence.
- 2.3 Where auDA becomes aware that a registrant has offered to sell their domain name to another party, auDA reserves the right to revoke the domain name licence (in which case, the domain name will be deleted and then become available for registration in the normal way).

3. TRANSFER OF DOMAIN NAME LICENCE

- 3.1 It is possible for a registrant to transfer their domain name licence to another party, but only in the circumstances set out in auDA's Transfers (Change of Registrant) Policy (Policy No 2002-27).
- 3.2 A registrant who attempts to "sell" their domain name licence should be aware that such a transaction will not fall within the circumstances set out in the Transfers (Change of Registrant) Policy, and therefore the domain name will not be transferred to the other party.