

# ICANN



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AL/2007R/1

ORIGINAL: English

DATE: 20/03/2007

STATUS: DRAFT v0.9

## **Internet Corporation for Assigned Names and Numbers**

AT-LARGE COMMUNITY POLICY RESOLUTIONS SERIES

### **RESOLUTION OF THE AT-LARGE COMMUNITY**

### **ON DOMAIN TASTING AND MONETISATION AND THEIR IMPACTS ON THE INDIVIDUAL INTERNET USER**

*Introductory Note by the ICANN Staff*

This document is the drafting work of Izumi Aizu, a member of the At-Large Advisory Committee, with input from various sources, and with some grammatical revisions of the ICANN Staff. It is under discussion with the objective of being released as a final consensus text during the Lisbon ICANN Meeting, 26-30 March 2007.

As the text will be revised this text may not be the current text. Please see [https://st.icann.org/alac/index.cgi?al\\_2007\\_r\\_1](https://st.icann.org/alac/index.cgi?al_2007_r_1) for the most current version.

[End of Introduction]

**On behalf of the ordinary Internet users, the At-Large Advisory Committee (ALAC), with the input of the worldwide community of At-Large Structures, would like to propose the following actions to be taken by the ICANN Community on Domain Tasting and Domain Monetization:**

**To the gNSO Council:**

Start a Policy Development Process on Domain Tasting. We believe that Domain Tasting is an abuse of the existing Five-day Add Grace Period that results in confusion for the ordinary Internet user and gives an unfair advantage to speculators. We propose to abandon the five day "Add Grace period".

**To the Registrars Constituency:**

Finalize and implement a Registrars Code of Conduct that prohibits unfair speculation and exploitation of Domain name registration including the use of the five day Add Grace period.

**To the Registry Constituency:**

We request the registries to consider how to avoid user confusion and unfair practices by abolishing the five day add grace period. Adding a small fee, such as 25 cents per Domain to those registrants who keep names using the add grace period may be one solution, but we would need to be persuaded that this would solve the problem in order to endorse this as a solution.

**To the ICANN Board:**

We request ICANN Board to consider how best to prohibit unfair speculation, enhance consumer trust in the Domain Name registration system, by

1. Initiating a third party study on the impact of Domain Tasting and Domain Monetization/speculation and their impact on the ordinary Internet user community;
2. Initiating a review of Registry – Registrar Contracts in order to promote fair trading and restrict unfair speculation.

**Background and Rationale**

"Domain tasting" is the term used to describe the use of the five-day add grace period to register domains, often in bulk, without paying for them. We think these are unfair acts: somewhere between larceny and extortion, because the registration cost is zero and the purpose of these registrations is just to make money by taking

advantage of automated bulk registration to exploit the domain names, which are in essence 'public goods', and not the real property of anyone.

As many people have noted, this practice is exploiting a loophole that shouldn't exist in the first place. There was a great deal of debate both in the ICANN community and on the ICANN board about the deletion grace period, but none at all about add grace which was apparently tossed into the package by an ICANN staffer without asking anyone. So says Karl Auerbach, who was on the board at the time, and we haven't seen anything to the contrary from any other board member.

As Bob Parsons wrote in his blog:

*“Millions of good .COM domain names – on any given day over 3.5 million and climbing — are unfairly made unavailable to small businesses and others who would actually register and use them in ways for which the names were intended. Many times businesses accidentally let their domain names expire. When they go to renew them, they find they have been snapped up – and taken away with a huge expensive hassle to follow – by an add/drop registrar.”*

The usual explanation of domain tasting says that the registrars register millions of domains, watch the traffic, and then after 4.9 days they delete the ones that don't seem likely to make back the US\$6.00 registration fee. Often they just delete them all and then reregister what they can a few minutes later until they find the domains that produce enough traffic to yield a return well above the registration fee.

The add grace period is just a mistake. The problem it purports to solve is not and never was an important one. If you let an important domain expire, you risk losing the entire investment made in that domain over many years. But if one registers a domain by mistake, the most one risks is the ten or twenty dollars you paid to register it.

### **On Domain Monetization**

We note that there is a meaningful difference between domain tasting and domain monetization. Monetization is a straightforward arbitrage between the cost of domain registrations and the revenue from as much pay-per-click traffic as the domain owner can get from people who visit web sites in the domain. It's a fundamentally sleazy business, since the web sites have no useful content and the way they get the traffic is basically by tricking people, either via typos or recently expired domains.

We do not think it is appropriate in this case to make ICANN as a regulator to watch and prohibit the Domain monetization practice. Instead, we call upon those commercial enterprises such as Google or Overture to stop paying for clicks on pages with no content, thereby dealing with a problem that is not limited to typo and expired domains. We've seen click arbitrage, people buying Google ads to drive traffic to pages that are simply other Google ads. This kind of self-generating traffic for pay-per-click advertising is confusing and unnecessary for ordinary Internet users and, in the long run, not healthy for the development of Internet as a whole.