

RDS Purpose: Domain Name Purchase/Sale

Purpose Name: **Domain Name Purchase/Sale**

Purpose Summary: Information to enable contact between the registrant and third-party buyer to assist registrant in proving and exercising property interest in the domain name and third-party buyer in confirming the registrant's property interest and related merchantability.

Definition: This purpose enables contact between domain name registrants and third-party buyers (e.g., small business owners, corporations, and domain name brokers) for unsolicited domain name purchase queries, and for both parties to complete and confirm agreed domain name transfers from seller to buyer.

Tasks: Parties purchasing or selling a domain name often engage in the following tasks.

1. When making purchase queries about a domain name, registration data is used to determine the current Registrant and how to contact them.
2. When making purchase queries about a domain name registered using a Privacy or Proxy service, registration data allows a potential buyer to determine how to contact the current domain name user/owner by relaying communication through the Privacy/Proxy service provider or through a legal contact.
3. During acquisition, purchasers not only need to find out who they should contact, but also the history of the domain name's registration to confirm prior associations and to ensure that there are no issues with buying a domain name "fit for purpose."
 - WHOIS history also provides information about merchantability. For example, when buying a house, buyers do a title search to certify ownership and ownership custody chain. Similarly, domain name buyers commonly search WHOIS records before and after sale to verify the old and new Registrant are accurately recorded.
 - Additionally, some domain name buyers consider the WHOIS history as significant for understanding a domain name's reputation via prior registrant WHOIS data. For example, brokers may update WHOIS data before offering domain names for sale; in such cases, assessing the domain name's reputation requires looking beyond current WHOIS data to identify past registrants, as well as historical information about the domain name obtained from other sources.
4. Registration data is also used during due diligence research to identify the current Registrant of the domain name, confirm whether they have a relationship with the Registrant Organization, and to determine other domain names with which buyers or sellers may be associated.

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5. In summary, registration data: informs buyers and sellers and those they are working with; facilitates verification that parties can sell/buy the domain name; makes it possible to carry out the purchase/sale transaction; and can assist with verification (with a third-party) that the domain name has actually changed hands before final payment is made from escrow.

Users: The following parties often access gTLD registration data in pursuit of this purpose:

User Role	Description of RDS User's Role in Domain Name Purchase/Sale
Third-party Buyer	Any individual or entity (e.g., small business owner, corporation, domain name broker) that is attempting to buy a domain name from a registrant.
Domain Broker	A broker who may be purchasing, facilitating a purchase or sale, or facilitating the exchange of monies for a purchase a sale on behalf of a registrant or third party purchaser.
Registrant	Person or entity that currently holds the rights to a domain name being purchased.

Data: The following gTLD registration data is often involved in this purpose.

Data	Description of Registration Data used during Domain Name Purchase/Sale
Registrant Name	Current registrant of the domain name so interested buyers or businesses know <i>who</i> to contact for purchase.
Registrant Contact	A way to contact the current registrant, via email or phone, to make an offer for domain name purchases or for legal purposes, e.g., notifications of trademark infringement.
Registrant's Country	In purchasing a domain, country of origin provides jurisdictional context for local laws and procedures throughout the transaction.
Date of Registration	To establish historical ownership of a domain name to assess the name's merchantability.
Domain Names for Specified Registrant	EWG recommendation for new search capability to facilitate transfer of all domain names owned by a single registrant or company in the case of a merger/transition.

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DT4 Answers to Questions – Final 7 March 2018

From <https://community.icann.org/download/attachments/74580010/DraftingTeam4-DNPurchaseSale-Purpose-v9-clean.pdf>

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1. Who associated with the domain name registration needs to be identified and/or contacted for each purpose?

Third-party buyers (e.g., small business owners, corporations, and domain name brokers) need to identify the person or entity that currently holds the rights to a domain name being purchased.

This party may be the domain name's current owner (the Registrant, reached directly) or the domain name's current user (the customer of a Privacy/Proxy provider, reached by relay through the PP).

Buyers may also need to identify persons or entities that have previously held the rights to a domain name being purchased, to assess the domain name's merchantability.

2. What is the objective achieved by identifying and/or contacting each of those entities?

Prior to acquisition, buyers use contact information to send purchase inquiries, in hopes of finding someone willing to sell the desired domain name.

During due diligence, buyers need to identify the party who currently holds the rights to a domain name, confirm whether that potential seller has a relationship with the Registrant Organization, and identify other domain names with which the buyers or sellers may be associated.

To complete a domain name acquisition, buyers need to identify the old and new Registrant to verify that the domain name change in ownership has been accurately recorded.

3. What might be expected of that entity with regard to the domain name?

The potential seller may prefer not to be contacted for this purpose and is under no obligation to reply to such solicitations. In some jurisdictions, unsolicited solicitations may be considered spam, and repeated "offers to buy" can be construed as harassment.

The buyer expects that the Registrant (or for Privacy/Proxy-registered domain names, the PP customer) has the legal right to sell the domain name.

In the case of relayed communication, both buyer and seller expect communication to the authentic entity who has legal rights to sell the domain name to be relayed by the Privacy/Proxy.¹

Once the seller initiates transfer of the domain name to the buyer, the registrar is expected to complete the transfer process.¹

Additional steps, checks, and processes may need to take place depending on the terms of purchase/sale – this is commonly but not only when additional parties. For example, if an escrow agent is involved, they are expected to verify the transfer to buyer before releasing funds.

¹ The rights and duties of the registrar, the PP, and the registered name holder are detailed in contracts between those parties.

Working Group Notes 10 March 2018, ICANN61 F2F

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- DT4 Answers: [Domain Name Purchase/Sale](#)

WG Response:

- The expectation is that a potential buyer can verify the seller owns the DN; this is not a requirement for public access – for example, a DN registrant could supply a lookup key to the buyer
- At what point would this be opened up to verification – after initial inquiry, or when the seller chooses to go forward?
- Potential buyers may want to see a registrant's full portfolio, not just one DN
- Is this purpose limited to business-owned DNs or does it apply to all DNs?
- Should it be a requirement to be able to find out the full set of domains controlled by a single entity, or is this just a particular desire?
- A potential buyer should send a note to the account holder, via the registrar
- Why is there a need for the account holder to have control of a DN?
- The account holder is not always the registrant and may not have the ability to sell a domain name
- Ultimately it should be the potential seller that controls further communication for this purpose
- Are there two different audiences? All registrants, or only those that express interest in being contacted for this purpose?
- There may be value in supplying additional information, but it seems this may be best handled outside of the basic system, e.g. by exchanges for listing names potentially available for sale
- Is there any threshold for the buyer is identifying itself as a bona fide purchaser?
- Are there two different types of entities being contacted in the beginning of this purpose? (1) any registrant that may or may not be interested in selling names; (2) registrants that specifically wish to receive potential purchase offers for their DN?
- To what extent must this be supported by the mandatory system as opposed to external services that have developed and will continue to develop?
- The buyer needs to have a third-party place to verify the registrant holds the rights to the DN – a public record of ownership, not just the current contact information
- If the seller opts in to full disclosure of other DNs, that could be done at the seller's discretion, based on an incentive (e.g., paying more for the DN)
- There's a sharp distinction between validating whether the seller has title versus whether the car is in running order. For the latter, the state does not participate; the buyer would get an assessment from their own mechanic
- Being contactable for this purpose is different from publishing contact data for this purpose
- The info listed in the Registrant field is supplied by the Account Holder, and it's entirely possible that the information is unrelated to the account and domain.