

# **PAB Wait Listing Subcommittee Agenda 5 Feb 03**

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## ***Purpose of Document***

This document is a draft agenda for the PAB Wait Listing Subcommittee. Two exhibits on responses to the Verisign WLS proposal are attached.

## ***Points to be considered***

1. Framework for subcommittee. How will consultation be carried out? Who are the interested stakeholders?
2. What problem are we trying to solve?
3. Draw up list of advantages and disadvantages of a wait list service. Review ICANN submissions with regard to VGRS WLS.
4. WLS "Variables"
  - Number of WLS subscribers waiting on each domain name?
  - Renewal of WLS if >1 subscriber?
  - Periodicity of WLS?
  - Charges?
  - Confidentiality of WLS subscriber?
  - Should WLS fee include initial registration fee? If so, initial registration could run for 2 years from WLS listing? Or 2 years of registration?
  - Transferability of WLS subscription to other domain name?
  - Transferability of WLS subscription to other tagholders?
  - Transferability of WLS subscription to other subscribers?
  - Grace Period?
  - Should existing registrant be notified?
  - Legal implications – should registrant agree that if domain was registered, would abide by Ts&Cs
  - DRS
5. Next steps

## *Exhibit 1 – Verisign’s arguments in favour of a WLS*

6. Effects on Interested Parties
  - a. Effect on registries:
    - i) New service to offer to registrars.
    - ii) New revenue stream that will support the investment costs.
    - iii) Reduction in system usage for constant checks for the target name once a WLS subscription is placed.
    - iv) Elimination of many desired domain name registrations from the speculator market so that the current excessive demand on operational resources is reduced and system access is maintained at a much more reasonable level.
  - b. Effect on registrars:
    - i) New service to offer to customers.
    - ii) New revenue stream.
    - iii) Reduction of registrar system usage for constant checks once a subscription is placed.
    - iv) Ensures a fair playing field / equivalent access for all registrars, regardless of their market or technological advantage.
  - c. Effect on resellers.

All effects on registrars will flow down to resellers.
  - d. Effect on registrants:
    - i) Current domain name registrations will not be affected in any way. A registrant will remain the registrant of its domain name indefinitely so long as it continues to meet the requirements of its chosen registrar.
    - ii) A WLS subscription will only kick in when a name is finally deleted.
    - iii) A registrant’s “rights” to its registered domain name registration service will not be affected in any way.
    - iv) Registrants may still transfer or otherwise make their registered domain names available in the secondary market (i.e., “auctions,” person to person transactions, etc.).
    - v) No restrictions on registrants placing a subscription on their own domain name registrations if they wish.
    - vi) Subscriptions will be processed on a first-come, first-served basis.
  - e. Effect on intellectual property owners:
    - i) Same effect as on registrants, as above
    - ii) No negative effect on IP owners.
    - iii) Provides a low cost alternative to the current UDRP or other dispute mechanisms for IP owners who choose to wait out a current domain name registration. This could be likely in the event that a domain name registrant is not using a current registration in commerce or for other activities.

*Exhibit 2 – Arguments against Verisign’s WLS proposal put to ICANN board*

1. Displacement of existing registrar-level competition. Currently, different registrars offer a variety of services to customers waiting for domain-name registrations to be deleted. These different services, which are currently offered on a competitive basis, all work on the basis of promptly registering names once they are returned to the available pool after deletion. Because the registry-level WLS would divert deleted names from being returned to the available pool, it would "trump" all of the competitive registrar-level services.

In general, the introduction of registrar-level competition has been extremely successful, and care should be taken before a registry operator is allowed to displace that competition by exercising abilities it has acquired by virtue of being designated the registry operator.

In the specific case of WLS, however, it is quite possible that some of the technically harmful effects of the registrar-level services (such as the high registry loads caused by "add storms") may justify instituting a registry-level WLS. It is also quite possible that the consumer benefits of having a guaranteed effective reservation (which can not be done at the registrar level) make it appropriate to allow registry-level WLS. It does not appear to me that a consensus position on these issues has yet developed in the community.

2. Serious objections have been raised to the preferential transition arrangements proposed for the current SnapBack service, but not for any of the current services with which it competes. Since only some registrars are currently offering the SnapBack service, this proposed preference raises questions as to whether equivalent access would be accorded to all registrars.
3. Many in the community believe that the price for the proposed WLS service should be limited to a cost-plus-reasonable-profit basis. Registrars, in particular, have indicated that the proposed price is several times likely costs. Maximum-price limits are intended to ensure that a registry operator does not abuse the sole-source position it achieves through its registry agreement with ICANN. Making judgments about appropriate maximum prices requires consideration of many factors, such as whether any effective market-based mechanism will be present for constraining price. On the other hand, the argument that the only true market test of the appropriateness of the product and its costs is its reception by potential purchasers would support VGRS's suggestion for a trial period after which a more informed evaluation could be made.