



## **Comments of CADNA, the Coalition Against Domain Name Abuse on the GNSO Council's Draft Domain Name Tasting Motion**

CADNA thanks the GNSO for opening up dialogue on solutions for domain tasting and kiting and for working to address these issues. From the impact on consumer choice to unfair business practices to the resulting harms from names identified in tasting, there are no winners in domain tasting and kiting, except for the select few registrars who have skirted the line between entrepreneurship and deception and the registries that enable tasting.

Every day, nearly 2 million names are being tasted or kited, and approximately 30-32 million currently registered domain names were identified or registered via kiting or tasting. As written in CADNA's September 2007 response to GNSO's domain tasting working group (<http://www.cadna.org/en/pdf/cadna-response-to-icann.pdf>), domain tasting allows users to unfairly exploit a system loophole—the Add Grace Period—whereby they are able to test the value of domain names (based upon the traffic they generate) on a massive scale and operate virtually risk free. Domain kiting, which refers to a variation of tasting in which the registrant repeatedly adds and drops the same domain name every few days to avoid the registration fee while monetizing the traffic with pay-per-click (PPC) advertising links, is likewise an exploitation of the AGP. These practices were not intended uses of the AGP and do not provide for a secure or stable Internet.

Because there is currently no limit to the number of deletes that a registrar can process during the AGP, the GNSO's proposed solution of a cap on the number of deletes (at 50 per month or 10% of that registrar's net new monthly domain name registrations, whichever proves to be greater) is a significant improvement. It shows a move towards a better-regulated system with fewer opportunities for infringement and fraud. However, while it might become unprofitable for registrars to kite domains because they would be continuously charged for exceeding monthly thresholds (since they delete almost as much as they register), tasting domains could remain a relatively low-risk and low-cost practice, as outlined below:

### **1- By simply using reasonable judgment, tasters can remain below the 10% threshold of deletes.**

Today, recently deleted names are tasted for traffic and represent the most likely source of new profitable domains, as CADNA discovered and discussed in its recent paper on drop-catching (<http://www.cadna.org/en/pdf/cadna-white-paper-drop-catching.pdf>). The study makes it clear that the practices of domain tasting and kiting

are employed in conjunction with drop-catching<sup>1</sup> to sift through a larger pool of names in hopes of identifying and keeping only those names that delivered value. Even if the proposed new system is implemented, tasters will develop a more informed and targeted way of identifying valuable names rather than the current mechanized free filtering of AGP tasting.

## **2- Registrars can circumvent agreements without proper RAA guideline enforcement**

CADNA conducted an evaluation (<http://www.cadna.org/en/pdf/icanns-20cent-tasting-solution.pdf>) that proves that tasting can remain a profitable business even with ICANN's proposed 20-cent registration fee policy. When looking at the numbers, it becomes clear that beyond a delete cap and beyond the 20-cent registration fee, there should be a tasting solution that includes an RAA provision to end the abuse of registrar accreditation for the purpose of domain speculation and warehousing. As of now, the only response available to ICANN if a registrar fails to cure a breach of the RAA is either a request of to stop the egregious practices or a termination of the contract. ICANN needs to develop a set of proportionate responses to breaches of the RAA and effective ways of executing those punishments. CADNA would also like to note that the current Policy Development Process regarding domain tasting does not address warehousing and speculation done by registrars and registries.

### **About CADNA:**

The Coalition Against Domain Name Abuse (CADNA) was formed in 2007 by a group of brand owners that felt much more was needed to be done to reduce the volume of infringements across all TLDs, increase penalties for cybersquatting, make online infringement monitoring and enforcement to protect consumers more achievable, and educate elected officials about policy reform that improves and maintains fair and free commerce. To that end, CADNA strives to secure the stability of the Internet by fighting brand abuse in the domain name space and quelling the consumer harms that cybersquatting and other domain abuses enable.

CADNA members represent a broad cross section of industries and include American International Group, Inc., Bacardi & Company Limited, Compagnie Financière Richemont SA, Dell Inc., DIRECTV, Inc., Eli Lilly and Company, Hilton Hotels Corporation, HSBC Holdings plc, Marriott International, Inc., Verizon Communications Inc., and Wyndham Worldwide Corporation.

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<sup>1</sup> Drop catching is the process whereby a domain that has expired is released again into the pool of available names and is immediately registered by another individual.