

Request for Information on Domain Tasting

10 August 2007

1. Please categorize yourself (indicate all that apply):

a) Non-Commercial Internet User	b) Government	c) Intellectual Property Rights Owner X
d) Registrar X	e) Registry	f) Registrant X
g) Intellectual Property Rights Owner Representative	h) Registrant Representative	i) Individual Internet User

2. Which of the above categories a-i may benefit from domain tasting - and in what way?

We believe some tasting is done by registrars for themselves as well as for clients or customers, so primarily categories d), f), and i). The benefit is well described in the definition of Domain Tasting included in the RFI.

3. Which of the above categories a-i may be disadvantaged by domain tasting - and in what way?

Anyone attempting to register a domain name will potentially be disadvantaged including categories a), b), c), f), g), h), and i). As a registrar we are specifically disadvantaged as follows:

- Valid users are unable to take advantage of domain names they desire
- Users will check the availability of a domain name. It is available but then sometimes before they even get through the registration process the name might be registered by a Taster. More often, they collect a list of names that are available, show them to a client, review with their employer, discuss with a family member, etc. Once they have decided to register a name or names perhaps hours a day or so later they find that they have been taken by tasters. Of course, they don't understand that the names are being tasted. This results in customer service calls where we are put in the position of trying to explain what has happened. Often the customer is convinced we are somehow in league with the tasters and taking advantage of them. In many cases we are able to monitor and later register the name when the taster deletes it, but that often just convinces the customer that they were right and we were involved all along.
- User will check the availability of a domain name and it is not available because it is being tasted. They may pick something else less desirable never knowing that their first choice later becomes available.
- We believe all this causes:
 - Customer confusion.
 - Erosion of consumer confidence in what we do as a business and in ecommerce in general.
 - Increased customer support costs for Registrars not involved in Tasting.

The number of complaints like those described has grown steadily since early 2005, from a handful of complaints a week to several per day. We believe that it impacts a far larger

number, many of whom don't bother to complain or don't understand enough about what happened to know what to complain about. Please see Exhibit A for actual examples of the complaints Go Daddy receives.

Registries should certainly speak for themselves on this issue. However, we believe that a significant addition of physical resources would have to be added to any registry's infrastructure to support the levels of tasting that are evident, for example, in the .COM/.NET monthly registry reports posted on ICANN's website. The deletes activity in the March 2007 COM/NET report suggests that over 54 million COM/NET domain names were deleted during the AGP, no doubt tasting activity. VeriSign states in their June 2007 Domain Name Report that they had 7 million new registrations in the first quarter of 2007, or an average of 2.3 million new COM/NET names per month. That would indicate that over 95% of the new registration activity supported by VeriSign's infrastructure was for domain name tasting. Yet the March 2007 registry report indicates that tasting is benefiting only around 20 of the 260 or so registrar groups, and just 9 individual registrars' account for over 98% of the activity.

How much of the increase in wholesale registration prices that takes affect this October are a result of tasting activity that benefits only a handful of registrars in any significant way? But perhaps even more importantly, what is the cost in damage to the reputation of our industry?

4. Do you believe that domain tasting impacts the security and stability of the Internet - if so, in what way?

Yes. The affect is similar to Site Finder with which the SSAC found that although it had not caused "network-shattering effects," it did violate "well-established codes of conduct and good practice" intended to ensure security and stability. The same is true for the large volume, indiscriminate tasting of domain names that we are seeing today and the activity has been growing in volume:

- 1) Tasting activity has disturbed the stability of a set of existing services that had been functioning satisfactorily, namely the competitive domain name registration services developed by hundreds of ICANN Accredited Registrars and tens of thousands of their resellers. Millions of domain names are indiscriminately registered on almost a daily basis that the registrant knowingly has no intent to keep. This takes millions of viable names temporarily out of the pool of available names for potential registrants who have an interest in those names for legitimate purposes. It has created a situation where existing registration services appear to be unstable, or worse, appear to be using information collected from users for personal gain.
- 2) Millions of domain names flux in and out of the DNS almost daily. This creates a situation where a domain name is available then suddenly is not, and then is again a few days later. Other potential Registrants for those names become confused, accuse Registrars and others of inappropriate behavior such as spying, and lose confidence in the secure nature of online commerce and transactions. The high volume flux in the DNS has also played havoc with other parties who rely on the Zone files for various value added services, such as Intellectual Property (IP) monitoring services.

3) The activity creates additional costs that are absorbed by potential registrants, non-participating Registrars and resellers, the IP community, and others not benefiting from domain name tasting.

4) Despite the long held tenet of “First, do no harm,” there was no research, testing for potential disruption of existing services, public review, or comment prior to this high volume activity abruptly occurring in the DNS.

5) The experiences of Go Daddy, as illustrated in the examples of customer complaints in Exhibit A, and other anecdotal evidence indicates that there may be an aftermarket in user domain name search information. The information is allegedly used by tasters to construct lists of possibly viable names to taste. This user information is allegedly collected from ISPs, Whois services, spyware, Browser Helper Objects, and other methods. If this is true, there should be serious concerns as to the legality, or at the least, the ethicalness of such data collection and the affect it has on perceived security of the DNS and domain name registration system.

In brief, high volume, indiscriminate tasting activity, as with Site Finder, has “undermined expectations about reliable behavior” and in so doing has “reduced trust in the security and stability of the system.”

Go Daddy recommends that the activity should be immediately stopped until such time as an appropriate study can be done of the above effects and their potential threat to the stability and security of the DNS and the services at the edges that rely on the DNS. Go Daddy also recommends that any resumption of the activity (quoting advice from the SSAC regarding Site Finder) “should take place only after a substantial period of notice, comment and consensus involving both the technical community and the larger user community. This process must (i) consider issues of security and stability, (ii) afford ample time for testing and refinement and (iii) allow for adequate notice and coordination with affected and potentially affected system managers and end users.”

5. Have you requested the deletion of a domain name during the AGP (Add Grace Period, definition above) - if so, how many times and for what reason?

Go Daddy uses the AGP to correct mistakes based on what we determine to be legitimate requests and to remove domains that we determine to have been registered fraudulently (using a stolen CC for example). We do not use it for testing in any significant amount. We charge a \$2.00 restocking fee for all other deletes within the AGP.

Go Daddy's overall AGP deletes as a percentage of total new registrations average less than 1%. Over 90% of our AGP deletes are due to fraud detection.

6. Have you been disadvantaged by domain tasting - if so, how?

See our response to question 3 above.

Potential means to address the practice of domain tasting have been suggested, including:

A) eliminating the AGP so that domain registration fees are non-refundable between registry and registrar;

- B) making the ICANN annual transaction fee (currently 0.20 USD per year) apply to names deleted during the AGP, or to a significant portion of them;**
- C) imposing registry ‘excess deletion fees’ charged to registrars for disproportionate deletes (for example in .org, PIR registry charges 0.05 USD per deleted domain if more than 90% of domains are deleted in a given time period).**

Please respond to the following questions from the perspective of your own category (see table in Question 1). Your responses on how other categories may be affected would be welcome.

7. Do you have any other suggestions in addition to A-C above?

See our response in question 8 regarding modifying B.

8. Which additional disadvantages would each suggestion bring?

The disadvantage of A is that there are legitimate uses for the AGP. See our response to question 5 for example. Other registrars we have spoken with indicated other legitimate uses as well and we encourage the Ad Hoc group to explore those fully before making any assumptions. It seems extreme to punish the other 240 odd registrar groups due to the activity of a handful of others.

The disadvantage of B is that it would increase costs to registrars who make legitimate use of the AGP as pointed out above. However, this can be offset by allowing a certain percentage of new registrations to be deleted during the AGP without the imposition of the transaction fee. The percentage could be determined by studying the average of percentage of new registrations that are deleted during the AGP. For example, this information could be gleaned by the Ad Hoc group (with the Staffs help) from the April reports with a day or so of work. However, a longer historical average would help to smooth any anomalies and so it would be helpful for the Registries to assist with that. The data could be gathered into brackets:

Percentage of New Registrations Deleted during AGP

- X Registrars 5% or less
- X Registrars > 5% up to 10%
- X Registrars > 10% up to 20%
- and so forth...

Suggestion C has the same disadvantage as described above for B, and the same possible solution. However, C has another disadvantage that makes it somewhat less desirable than B. It relies on the Registries to be motivated to take action, and the exact implementation may differ from Registry to Registry making it more complicated for Registrars to implement and for Registrants to understand. We believe there is merit in this suggestion but believe that B is a better overall solution.

9. Which additional benefits would each suggestion bring?

Suggestion B has the additional benefit of simplicity – ease of implementation for

Registrars and little or no confusion for Registrants.

10. Should any of these suggestions be implemented, and if so, please explain why or why not?

Any realistic cost/benefit analysis of domain tasting clearly shows that if there is any cost associated with the activity it would be seriously thwarted, regardless of what FUD you hear from those with an interest in keeping it going. Nothing we or anyone else does will stop tasting entirely, but it can be brought back down to the levels prior to 2005 when no one noticed or cared. Even eliminating the AGP will not stop tasting entirely. However, if there is some cost associated with it those who want to taste will have to at least give more actual thought to what they are doing instead of the indiscriminate activity we see in growing volumes today. Our preference would be to see some version of B implemented. Some version of C would be a second choice. We would prefer not to see A implemented for the reasons stated above in question 8.

11. If domain registrations are offered at no cost to the registrant by a registry (outside of special promotions), would this effectively permit domain tasting?

Technically, yes. However, unless ICANN would agree to waive the transaction fee imposed on registrars as part of the free domain offer, there would still be a considerable throttle on the activity. For example, if a taster wanted to register 1 million domains under the free offer the registrar would still be billed by ICANN for \$200,000. So either the registrar would have to eat that or pass the cost on to the taster. Either way, it would serve as a deterrent to tasting in the volumes we are seeing today in a completely no cost scenario.

12. Are you opposed to offering domain registrations at no cost to the registrant?

No. We would only be opposed to ICANN waiving the transaction fee under these conditions.

13. Should ICANN impose a minimum registration fee on domain registrations - if so, what should the minimum fee be?

No. See our response to 11 and 12 above.

14. Please provide any statistical or other factually supported information (with source or source data included for third party validation) that could be useful for analyzing domain tasting issues.

The Registries have detailed data on AGP deletes and have begun including that information in their monthly reports to ICANN. VeriSign began including it with its April report.

15. Please name any expert persons you know of regarding any issues raised by this RFI.

The best experts on this activity are the Registrars involved in it, the Registries that have allowed it and in particular VeriSign since COM is by far the most heavily tasted TLD (followed by NET), and ICANN who has all of the data from the Registries' monthly reports (these reports are also publicly available although there is a necessary three month delay in their being posted).

16. Please provide any other comments you may have to this RFI.

Due to the nature of the tasting, statistical analysis of the problems it creates may be difficult and not directly definitive. The Ad Hoc should keep in mind:

1. The actual tasting volume can be determined with a fair amount of accuracy by gathering data from monthly Registry reports and data directly from the Registries and ICANN.

2. Any data regarding the alleged harm tasting causes will be arguable. The vocal minority will be heard and their data will be presented but it will be viewed by some as not statistically significant.

So metrics/statistics will be useful, but in the end the GNSO, and ultimately the BoD, will have to make a decision based what the data infers. Perhaps a way to look at it is what does a balance of probabilities, or a preponderance of the evidence and its probable truth and accuracy, indicate? In our opinion, it is unreasonable to impose a higher standard of proof of harm than that.

Submitted September 5, 2007

Tim Ruiz
Vice President
Corporate Development and Policy
GoDaddy.com

EXHIBIT A

Examples of Go Daddy Customer Complaints

The following three examples have certain information redacted to protect privacy.

Example 1

----- Original Message -----

Subject: How this all evolves...

From: "XXXXXX XXXXXXXXX" <XXXXXXXXXX@XXXXXXXXXX.com>

Date: Mon, August 20, 2007 11:51 am

To: <pr@godaddy.com>

... I really cannot believe the course of events taken place today....I am going to follow up, and post this in Digg, Netscape and wherever else I can...This will be a great topic about Godaddy and it's integrity....

I cannot believe that your company is so petty, that you would do this to your clients.....

On Friday, August 17, 2007 I looked up the availability of XXXXXXXXXXXXX.com on your web site....

Within 2 days it was coincidently taking by a company called XXXXXXXX...Which I now understand is your company... [NOTE: IT WAS NOT OUR COMPANY. THEIR DOMAIN NAME HAPPENS TO BE REGISTERED THROUGH US FOR WHATEVER REASON]

Are your squatting on names?....Are you using your customers information to profit unfairly?...It appears to be the situation here...

I would like an immediate response, as this is causing harm to our business...

I will publish this incident on netscape, digg, and wherever else the public will want to learn of your real integrity

Our company here used this brand name for 10 years, and when I went back onto you site this morning to buy the name, you already took it over the weekend.

Does the public know that you are doing this????

Example 2

Received via Web Board Support 30 Aug 2007 12:55:24 -0700

Dear Mr. Parsons,

On the 26th of August I used my GoDaddy account (I have over XXXX domains and several email and hosting accounts, and have used other services as well) in order to purchase XXXXXXXXXXX.com to use for my consulting business. For some reason ... the order did not go through.

The very next day I went online to try again, but then a company called XXXXXXXXXXX in Pasadena had registered my domain name. I am convinced that the only reason this company registered the domain is because they somehow found out about my failure to register the domain through GoDaddy.

I am not sure if what happened is a result of mismanagement on behalf of GoDaddy's employees or if it is company policy to steal from members. Either

way, I hold GoDaddy responsible for what happened.

I find this especially serious given the fact that GoDaddy is trying to cultivate an image of honesty. I am determined to get to the bottom of this matter and I want to give you an opportunity to respond before I proceed.

Best regards,
XXXX XXXXXXXXX

Example 3

----- Original Message -----

Subject: Personal note to Bob Parsons
From: XXXXX XXXXXXXXX <XXXX@XXXXXXXXX.com>
Date: Mon, April 16, 2007 11:39 am
To: president@godaddy.com
Cc: XXXX@XXXXXXXXX.com, XXXX@XXXXXXXXX.com

Dear Mr. Parsons,

... Because of this history of using your services, it is with regret that I must report to you a terrible suspicion about your company. That suspicion is that your company (as a matter of policy) OR someone within your company (without your knowledge), is monitoring domain availability searches, then grabbing the more active ones before they can be registered. Here is the story on this:

On Friday evening (4/13/07), I conceived an idea for a new take on an online lead generation service. That is to operate a XXXXX service for XXXXXXXXX. ... I went to GoDaddy.com to check the availability of "XXXXXXXXXXXX.com". It was available. Since we have an internal process for registering and paying for names, I sent an email to a single person on my staff to buy the domain first thing Monday morning. My V.P. of Media also checked the domain's availability on your system on Saturday afternoon. Only 3 people knew about this domain search on our end, each of whom is a senior, long-term loyal staffer. Lo and behold, when we went in on Monday morning, it turns out that the name had been registered on Sunday (4/15) by another registrar- XXXXXXXXXX.com (a.k.a XXXXXXXXXX.com).

This in itself could be a mere coincidence, but I had this same thing happen a few months ago- an immediate loss of a desired domain after checking availability on your site. After discussing the situation with some of my staff, one of them commented that "this domain-sniping problem with GoDaddy is common knowledge".

Now, I do not know if this evidence is enough for you to act. But I also bet that if you have someone in your company who is helping usurp interesting domain names that are researched on your system, you have heard of the problem before. For me, the next steps are clear. We have lost a valuable domain name around which we desired to create another business. I and my staff believe the name was misappropriated as a direct result of us researching it on your site. That means, unless there is some contravening evidence that would make us more comfortable, we will work to transfer all our dozens of domains to another registrar, and take our business elsewhere.

Sincerely

XXXXX