



ICANN Request for Information on Domain Tasting

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

- a. *Non-Commercial Internet User*
- b. *Government*
- c. *Intellectual Property Rights Owner*
- d. *Registrar*
- e. *Registry*
- f. *Registrant*
- 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?

The issue is not domain tasting per se, rather the AGP.

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

As we see AGP to be the culprit, the main group that is being disadvantaged is the average registrant.

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

One of the reasons used in arguments to abolish domain tasting is the stress the associated transaction volume brings on the registry system. However, this argument is no longer compelling, as the extra capacity has been built in and is now a sunk cost. Thus, the cost of stress should not enter into the calculus of the merits of eliminating the AGP.

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?

No.

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

Under the current pricing structure, the registration fee implicitly includes an option owned by the registering entity to force a full refund. This option has value, as demonstrated by the volume of domains being tasted. Unfortunately, however, the majority of domain name owners is forgoing this value, and thus, is subsidizing the tasters.

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;*
As noted in (6) above, this is only one necessary part of the solution, but, not sufficient.
- 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;*
This is an inefficient solution. The fee needs to be a function of transaction risk that is driven by the volume of registrant deletions.
- 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).*
As in (b) above, it is an inefficient solution.

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?

Tasting will continue as long as there is an increase in the average advertising revenue or search volume, advertising for new keywords or improvements in content to better match user intent.

Any solution has to accomplish two things: (1) give ICANN an incentive to take the necessary action and (2) eliminate the subsidy to tasters. One such solution is to at time of registration give the registering entity, in addition to paying a registration fee, the option to buy an insurance policy that guarantees a full refund within, say, five days of registration. The insurance policy should have difference prices for various registering entity's risk classes.

Nevertheless, a pure legal remedy to trademark tasting, whether individual or coordinated action as in CADNA, is not viable as it is value destroying for the trademark holders and the domain owners. Thus, ICANN should encourage trademark owners to adopt a

coordinated cooperative solution with advertising agencies (such as Google and Yahoo) and monetizers.

8. Which additional disadvantages would each suggestion bring?

To reduce confusion, the suggestion in (7) must be initially implemented and enforced at the registry level.

9. Which additional benefits would each suggestion bring?

There is a positive spillover effect driven by the insurance policy whereby tasters will be more likely to start using analytical tools to guide their acquisition decisions instead of their current bootstrap methods. Such action expands the domain names knowledge base and thus, is value creating. ■