

auDA 2007 Names Policy Panel Submission

Attention: Jo Lim  
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**RE: auDA 2007 Names Policy Panel Submission**

Thank you for the opportunity to make a submission to auDA 2007 Names Policy Panel in relation to the Issues Paper May 2007.

I have over fifteen years of experience with the Internet and its governance.

I am employed by Australia Post to manage the corporation's development of its online strategy; how to best use the Internet to improve Australia Post's business.

I am a current director of the Australian domain name regulator; .au Domain Administration Ltd (.auDA); elected in November 2001, a staunch consumer advocate within the Australian domain name industry especially in regards to exposing unscrupulous operators (domainwatch.org), and maintain a Price Comparison of auDA Accredited Registrars (whatsinaname.com.au).

I am a founding director and current Chairman of the Coalition Against Unsolicited Bulk Email, Australia (CAUBE.AU), director of the International Coalition Against Unsolicited Commercial Email (iCAUCE), and Deputy Chair for the Asia Pacific Coalition Against Unsolicited Commercial Email (APCAUCE).

I hold a Computer Science degree and am currently undertaking a Master of eBusiness by research – both with RMIT University. This paper, with further research, will contribute to my Master of eBusiness research programme.

This submission is being made in a personal capacity only, and does not necessarily represent the views of my employer or any other organisation.

Regards

Josh Rowe  
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## Australia registers more .au than .com domains

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‘The choice between a flat or hierarchical namespace in .au could be considered a religious argument with no compelling right or wrong answer’

Davies<sup>1</sup>.

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### **Introduction**

Debate<sup>2</sup> on whether the .au domain name space should be open to direct registrations has predominantly been subjective and emotive from both sides of the fence. Attempts have been made to engage relevant parties<sup>3</sup> to present their arguments based on empirical evidence – without success.

This submission has been written in response to the auDA 2007 Names Policy Panel<sup>4</sup> issues paper<sup>5</sup>. Only one issue from the issues paper; “**Should .au be opened up to direct registrations (eg. domainname.au)?**” is explored in this submission.

This is not a comprehensive research paper; further work is required to bring it up to an academic standard.

### **Research Approach and Paper Structure**

The research approach for this study is to use empirical evidence (where available) in relation to arguments for and against opening up .au to direct registrations.

The format of this paper is to address each argument from the issues paper (section 7.8 and 7.9). Arguments in favour and against direct registrations are quoted verbatim in a box. Some arguments which contain multiple points are numbered following the box. An analysis of the issues and empirical evidence within the current literature then follows.

### **Glossary**

<i>Term</i>	<i>Definition</i>
.au	The Internet country code top-level domain for Australia.
2LD	Second Level Domain name (eg <b>com.au</b> , <b>net.au</b> , <b>org.au</b> , <b>gov.au</b> ).
3LD	Third Level Domain name (eg <b>auda.org.au</b> , <b>afl.com.au</b> , <b>rmit.edu.au</b> ).
auDA	.au Domain Administration Ltd (auDA) is the policy authority and industry self-regulatory body for the .au domain space.
ccTLD	Country Code Top Level Domain (eg. .au, .nz, .uk).
domain name	an identifier of a computer or site on the Internet (eg auda.org.au, microsoft.com, triplej.net.au, denic.de, nominet.org.uk, etc).
TLD	Top Level Domain (eg. .com, .net, .org, .biz).

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<sup>1</sup> .au Review Discussion Paper Submissions – DCITA –

[http://www.dcita.gov.au/\\_data/assets/pdf\\_file/55837/Kim\\_Davies.pdf](http://www.dcita.gov.au/_data/assets/pdf_file/55837/Kim_Davies.pdf)

<sup>2</sup> Domain dispute heats up (thread) - <http://dotau.org/archive/2006-06/index.html#3>

<sup>3</sup> OpeningUp.au - <http://icannwiki.org/OpeningUp.au>

<sup>4</sup> auDA 2007 Names Policy Panel – <http://www.auda.org.au/2007npp/2007npp-index/>

<sup>5</sup> auDA 2007 Names Policy Panel – Issues Paper, May 2007 - <http://www.auda.org.au/document.php?documentid=867>

## **Arguments FOR opening up .au to direct registrations**

7.8 (point 1) Domain names under .au would be shorter and arguably more memorable, ie. domainname.au instead of domainname.com.au. This might have the effect of encouraging Australian entities who have registered their domain name in .com to register in .au. From a user perspective, there would be four fewer characters for people to type.

1. Domain names under .au would be shorter and arguably more memorable.

Burton<sup>6</sup> asserts that usable domain names are not only short, but are also

- guessable
- easy to spell
- easy to type
- easy to say and pronounce
- memorable
- meaningful to customers
- meaningful to web site partners
- meaningful in the intended language
- run together without punctuation – if compound words

Giant Games Ltd<sup>7</sup> adds that the first rule in selecting a domain name is:

- choosing the right suffix (organisation type/country code)

Designating the .au domain name space as a “design”, according to Nielsen’s<sup>8</sup> definition of usability, provides the following guidelines:

- **Learnability:** How easy is it for users to accomplish basic tasks the first time they encounter the design (domain name space)
- **Efficiency:** Once users have learned the design (domain name space), how quickly can they perform tasks?
- **Memorability:** When users return to the design (domain name space) after a period of not using it, how easily can they re-establish proficiency?
- **Errors:** How many errors do users make, how severe are these errors, and how easily can they recover from the errors?
- **Satisfaction:** How pleasant is it to use the design (domain name space)?

Implied By Design<sup>9</sup> points out that a memorable domain name does not necessarily have to be short. They illustrate this point with reference to the following two domain names would you be more likely to recall BobJonesSurfShop.com or BJSShop.com? One is potentially faster to type, but the full name of the business as a domain name is definitely more memorable.

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<sup>6</sup> Creating Usable Domain Names – <http://www.usability.gov/pubs/032007news.html>

<sup>7</sup> A Guide to Domain Names – <http://www.giraffe.co.uk/domainnames.php>

<sup>8</sup> Usability 101: Introduction to Usability – <http://www.useit.com/alertbox/20030825.html>

<sup>9</sup> Picking a Good Domain Name from the Infinite URL Tree – <http://www.implicitbydesign.com/blog/picking-a-good-domain-name-from-the-infinite-url-tree.html>

Existing registrants may wish to register their equivalent .au 3LD domain name directly under .au. In the example below (using actual registrants), Australian Creative Music Educators (acme.org.au) hypothetically secures a shorter domain name “acme.au”. However the three other registrants, all in search of memorable domain names, hypothetically end up with longer domain names.

**Table 1: Example of securing a memorable .au domain name**

Domain	Registrant	Registration eg.	Shorter
acme.com.au	ACME Digital	AcmeDigital.au	✗
acme.id.au	Alex Walker Anderson	AcmeAlex.au	✗
acme.net.au	Acme Pacific Exchange	AcmeExchange.au	✗
acme.org.au	Australian Creative Music Educators	Acme.au	✓

2. This might have the effect of encouraging Australian entities who have registered their domain name in .com to register in .au.

Allowing direct registrations for your ccTLD does not necessarily mean that your fellow citizens will register your ccTLD domain over a .com domain. The table below shows the ccTLD to .com domain name ratio for the ten countries who register the most .com domain names.

The most patriotic ccTLD is Germany who offers direct registrations and in second place is the United Kingdom who doesn't offer direct registrations. Both register more ccTLD domains than .com domains.

**Table 2 : ccTLD to .com ratio for top ten countries who register the most .com domain names**

Country	.com domains <sup>10</sup>	ccTLD	ccTLD domains	Direct Reg'n	ccTLD / .com ratio
Germany	2,842,755	.de	10,993,310 <sup>11</sup>	✓	387%
United Kingdom	2,249,345	.uk	5,962,232 <sup>12</sup>	✗	265%
Japan	715,725	.jp	925,242 <sup>13</sup>	✓	129%
China	1,983,920	.cn	1,874,604 <sup>14</sup>	✓	94%
Spain	706,025	.es	568,085 <sup>15</sup>	✓	80%
Australia	1,302,101	.au	898,107 <sup>16</sup>	✗	69%
France	1,284,821	.fr	840,079 <sup>17</sup>	✓	65%
Canada	2,016,277	.ca	849,570 <sup>18</sup>	✓	42%
Hong Kong	1,465,852	.hk	138,952 <sup>19</sup>	✓	9%
United States	39,073,918	.us	1,246,567 <sup>20</sup>	✓	3%

<sup>10</sup> Country-wise COM domains - 4 June 2007 -

<http://www.webhosting.info/registries/reports/country/COM/>

<sup>11</sup> .de Domain Name Statistics - 7 June 2007 - <http://www.denic.de/en/domains/statistiken/index.html>

<sup>12</sup> .uk Domain Name Statistics - May 2007 -

<http://www.nominet.org.uk/intelligence/statistics/registration/>

<sup>13</sup> .jp Domain Name Statistics - 1 June 2007 - <http://jprs.co.jp/en/stat/>

<sup>14</sup> .cn Domain Name Statistics - February 2007 - <http://www.cnnic.cn/html/Dir/2003/12/13/2020.htm>

<sup>15</sup> .es Domain Name Statistics - April 2007 - <https://www.nic.es/estadisticas/index.html>

<sup>16</sup> .au Domain Name Statistics - May 2007 - <http://www.ausregistry.com.au/reports/2007/PUBLIC-200705-print.pdf>

<sup>17</sup> .fr Domain Name Statistics - 21 May 2007 - <http://www.afnic.fr/actu/stats>

<sup>18</sup> .ca Domain Name Statistics - 8 June 2007 - <http://www.cira.ca/en/home.html>

<sup>19</sup> .hk Domain Name Statistics - 1 May 2007 -

<https://www.hkdnr.hk/aboutHK/statistics.jsp?path=abouthk&item=1>

However, the Australian .com domains statistics are skewed by a massive domain portfolio held by an Australian “direct navigation” company; Dark Blue Sea Pty Ltd. Direct navigation also known as type-in traffic, results from users typing in domain names directly into a web browser’s address bar, bypassing search engines. Dark Blue Sea Pty Ltd has domain name portfolio of 545,000<sup>21</sup>; the world’s second largest portfolio of domain names<sup>22</sup>. By removing their .com domains from the comparison above, Australia’s ccTLD to .com domain ratio would increase to above 100%.

In other words, Australia registers more .au than .com domains.

Irrespective of the ccTLD hierarchical structure, Mueller<sup>23</sup> claims that countries that impose policy restrictions on ccTLD domain registrations have a much higher proportion who register .com domains. France is known for their highly restrictive ccTLD domain policies with more .com domain registered than .fr domain names. Alternatively, Germany and the United Kingdom with more accommodating policies have greatly outstripped the French ccTLD in number of registrations and have fewer .com domain registrations.

Further research could be conducted on the effect of domain name policy and price to understand domain name registrants’ buying preferences.

3. From a user perspective, there would be four fewer characters for people to type.

There is no clear evidence as to what the benefit of typing four fewer characters is for users; a reduction in repetitive strain injury or a longer life for keyboards perhaps?

7.8 (point 2) .au domain names would more readily and effectively identify the registrant as Australian (compared with com.au, org.au etc), showcasing Australian businesses and brands more effectively in the global market.

What brand value do the current Australian 2LDs (com.au, org.au, edu.au, gov.au, etc) possess versus the potential brand value of .au for both the domestic and global markets?

Tonkin<sup>24</sup> asserts that “there would be a significant cost to businesses to try to protect their brands in the top level without any specific gain from a consumer perspective”. Whilst Bloch<sup>25</sup> contends direct registrations under .au are a “vital requirement ... in a globalising economy and Australia is a brand in that economy”.

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<sup>20</sup> .us Domain Name Statistics - 7 June 2007 - <http://www.dailychanges.com/>

<sup>21</sup> Dark Blue Sea Limited – 2006 Annual Financial Report – [http://www.darkblueseas.com/announcements/174\\_DBS\\_2006\\_Accounts\\_-\\_final.pdf](http://www.darkblueseas.com/announcements/174_DBS_2006_Accounts_-_final.pdf)

<sup>22</sup> Masters of their domains – <http://www.theage.com.au/articles/2007/06/04/1180809431843.html?page=fullpage>

<sup>23</sup> Toward an Economics of the Domain Name System - <http://dcc.syr.edu/miscarticles/dns-econ.pdf>

<sup>24</sup> Melbourne IT submission [http://www.dcita.gov.au/\\_data/assets/pdf\\_file/55838/Melbourne\\_IT.pdf](http://www.dcita.gov.au/_data/assets/pdf_file/55838/Melbourne_IT.pdf)

<sup>25</sup> .au Review Discussion Paper Submissions – [http://www.dcita.gov.au/\\_data/assets/pdf\\_file/56613/NetRegistry\\_FINAL\\_WEB\\_VERSION.pdf](http://www.dcita.gov.au/_data/assets/pdf_file/56613/NetRegistry_FINAL_WEB_VERSION.pdf)

However, according to Arnold<sup>26</sup> there is a paucity of empirical research on domain name branding.

Further research could be conducted to establish the current value of the Australian 2LD brands contrasted against the potential value of the .au brand for both the domestic and global markets.

7.8 (point 3) Assuming direct registrations only was adopted (this would mean that people would only be able to register a domain name directly under .au, and the 2LD hierarchy would be deactivated). A “flat” structure would be much simpler to understand and navigate than a hierarchical structure, because users would not have to know and remember the different 2LDs and their meanings. This might make it easier for international users, who are more familiar with direct registrations in other TLDs, to navigate the .au domain.

1. A “flat” structure would be much simpler to understand and navigate than a hierarchical structure, because users would not have to know and remember the different 2LDs and their meanings.

Although he was not making a case for direct registrations under a ccTLD, Mueller<sup>27</sup> asserts that with hierarchical domain name spaces the need for new categories which seem more meaningful or important will always arise over time.

Bulgaria offers direct registrations under .bg and in September, 2006 introduced 36 seemingly meaningless 2LD domains<sup>28</sup>. These provide 37 separate domain name spaces for registrants to choose from. Examples of actual .bg registered domains include: pcstore.**bg**, plasticsurgery.**a.bg**, and cosmos.**1.bg**. The introduction of these new spaces reveal two characteristics; firstly the 2LDs won't become less meaningful over time (since they start with no intended meaning) and secondly there is a larger number “good” domain names available for registration (e.g. acme.a.bg, acme.x.bg, acme.1.bg, etc).

**Table 3: Bulgarian 2LD hierarchy**

.a.bg	.b.bg	.c.bg	.d.bg	.e.bg	.f.bg
.g.bg	.h.bg	.i.bg	.j.bg	.k.bg	.l.bg
.m.bg	.n.bg	.o.bg	.p.bg	.q.bg	.r.bg
.s.bg	.t.bg	.u.bg	.v.bg	.w.bg	.x.bg
.y.bg	.z.bg	.0.bg	.1.bg	.2.bg	.3.bg
.4.bg	.5.bg	.6.bg	.7.bg	.8.bg	.9.bg

Further research could be conducted to seek evidence to determine if international users find hierarchical ccTLD structures difficult to navigate.

<sup>26</sup> Web Marketing Guide – Domain Naming - <http://www.caslon.com.au/marketingguide8.htm#branding>

<sup>27</sup> Toward an Economics of the Domain Name System – <http://dcc.syr.edu/miscarticles/dns-econ.pdf>

<sup>28</sup> Register.BG - <https://www.register.bg/user/static/rules/en/OpenLetter.html>

2. A “flat” structure might make it easier for international users, who are more familiar with direct registrations in other TLDs, to navigate the .au domain.

This assertion assumes that international users are more familiar with direct registrations.

What is the current mix of Australian versus international users who visit .au sites? Potentially more challenging to ascertain; what is the preferred mix?

Further research could be conducted to seek evidence to determine if international users are more familiar with “flat” structures.

7.8 (point 4) Assuming a combination of direct registrations and 2LD hierarchy was adopted (this would mean that the current 2LD hierarchy would be retained, and people could choose whether to register in a 2LD or directly under .au.). There would be more choice for registrants to register their domain name directly under .au or under one of the 2LDs (or both). It may also enable new registrants to have access to desirable and valuable domain names that have already been taken in the 2LDs.

1. There would be more choice for registrants to register their domain name directly under .au or under one of the 2LDs (or both).

Allowing direct registrations under .au will offer more domain name space. However, choice of domain names will depend on what is available, which depends on the method of implementation to introduce direct registrations.

The auDA 2007 Names Policy Panel<sup>29</sup> provides a range of example methods to introduce direct registrations:

Method	Considerations
Giving trade mark holders a “sunrise” period in which to secure registration of their trade mark domain names.	<p>The current .au Domain Name Eligibility and Allocation Policy Rules for the Open 2LDs<sup>30</sup> decree that “there is no hierarchy of rights in the DNS. For example, a registered trade mark does not confer any better entitlement to a domain name than a registered business name”.</p> <p>Further, whilst trademarks are one accepted form of eligibility criteria for the asn.au, com.au, net.au, and org.au 2LDs, they are not a requirement for id.au, gov.au<sup>31</sup> or edu.au<sup>32</sup> 2LDs.</p>

<sup>29</sup> auDA Names Policy Panel – Issues Paper, May 2007 – <http://www.ada.org.au/document.php?documentid=867>

<sup>30</sup> Domain Name Eligibility and Allocation Policy Rules for the Open 2LDs (2005-01) – <http://www.ada.org.au/policies/ada-2005-01/>

<sup>31</sup> Eligibility and Allocation Policy – [http://www.domainname.gov.au/Eligibility\\_and\\_Allocation\\_Policy](http://www.domainname.gov.au/Eligibility_and_Allocation_Policy)

<sup>32</sup> .edu.au Policy Documentation – <http://www.domainname.edu.au/registrar/policy>

Method	Considerations
Giving existing com.au registrants the first right of refusal over the corresponding .au domain name	On what basis would com.au registrants receive priority over asn.au, net.au, id.au, org.au, edu.au, and gov.au registrants?
Implementing a special dispute resolution process for conflicts between existing 2LD hierarchy registrants	On what basis would disputes be resolved for 2LD hierarchy domains given their eligibility criteria are not uniform?
Reserving certain names from registration for a period of time.	Would all existing 3LD names be reserved? If so, a process for managing conflicts would need to be developed (refer to consideration above).

2. It may enable new registrants to have access to desirable and valuable domain names that have already been taken in the 2LDs.

A survey<sup>33</sup> of the usage of the .biz TLD, found that 25% of .biz domains were likely to have been registered by the same organisation that held the corresponding .com domain name. However this may not a useful comparison as “com.au/org.au/gov.au/etc” and “.au” has a stronger semantic affinity than “.com” and “.biz” does.

Further research could be carried out on ccTLDs which have introduced direct registrations to establish what proportion of existing 3LD registrants registered their name directly under the ccTLD.

7.8 (point 5) There would be a commercial gain for the Australian domain name industry; the registry operator, registrars and resellers could expect to generate more revenue from increased numbers of registrations. Under auDA’s registry competition policy, a new operator may be selected to run the .au registry, potentially leading to lower costs and more choice for registrars.

One of the auDA 2007 Names Policy Panel’s policy objectives is to support the Australian online economy; valued at \$40 billion<sup>34</sup> for 2004/2005.

The .au domain name industry is worth approximately \$45 million per annum or 0.1% of Australian online economy. This estimation is based on an average price for .au domain names<sup>35</sup> of \$50 per annum and 900,000 .au domain name registrations.

Further research could be conducted to seek evidence on how opening up .au to direct registrations could stimulate and growth for the other 99.9% of the Australian online economy.

<sup>33</sup> Survey of Usage of the .BIZ TLD – <http://cyber.law.harvard.edu/tlds/001/>

<sup>34</sup> Business Use of Information Technology, 2004-05 – <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8129.0Main+Features12004-05>

<sup>35</sup> Domain Name Price Comparison of .auDA Accredited Registrars – <http://whatsinaname.com.au/>

7.8 (point 6) Other ccTLDs (examples include Austria .at, China .cn, Japan .jp, Korea .kr, Singapore .sg) have managed the transition to direct registrations successfully, and their experience shows that there is strong consumer demand once direct registrations become available.

1. Other ccTLDs have managed the transition to direct registrations successfully.

How was successful transition measured for the examples above?

Have other ccTLDs failed or been challenged in transitioning to direct registrations? If so, why were they unsuccessful?

The measures of a successful .au transition could relate directly to the panel objectives:

Objective	Potential Success Measures
To maintain the <b>Australian identity</b> of the .au domain space.	High proportion of .au registrants with an association or nexus with Australia.
To enhance the <b>usability</b> of the .au domain space.	Using Nielsen definition of usability <sup>36</sup> again: <b>Learnability:</b> How easy is it for users to accomplish basic tasks the first time they encounter the design (domain name space) <b>Efficiency:</b> Once users have learned the design (domain name space), how quickly can they perform tasks? <b>Memorability:</b> When users return to the design (domain name space) after a period of not using it, how easily can they re-establish proficiency? <b>Errors:</b> How many errors do users make, how severe are these errors, and how easily can they recover from the errors? <b>Satisfaction:</b> How pleasant is it to use the design (domain name space)?
3. To preserve the <b>integrity</b> of the .au domain space.	Low occurrence of disputes. Low occurrence of cyber squatting. Low occurrence of scams. High protection of rights holders.
4. To facilitate <b>economic benefits</b> flowing from the .au domain space.	Demonstrable link between the opening up of .au and an increase in value of the Australian online economy over above an increase in the number of .au domain name registrations.

<sup>36</sup> Usability 101: Introduction to Usability – <http://www.useit.com/alertbox/20030825.html>

2. Other ccTLDs shows that there is strong consumer demand once direct registrations become available.

Austria introduced direct registrations at the beginning of 1999 when their registrations totalled 29,186<sup>37</sup>. At the end of 2006 there were 709,003 Austrian domain names registered with 96.2% of registrations directly under the .at domain.

China added direct registrations under .cn to their hierarchical structure in February 2003. Registrations<sup>38</sup> for .cn domain names surpassed com.cn domain names in nine months. In February 2007 .cn domain names made up 62% compared with 27% of com.cn domain names. The com.cn domain name space has continued to grow since the introduction of direct registrations under .cn, albeit at a slower rate. The steeper growth rate from 2005 onwards is attributed to the opening up<sup>39</sup> of .cn domain name registrations to registrars outside of China.

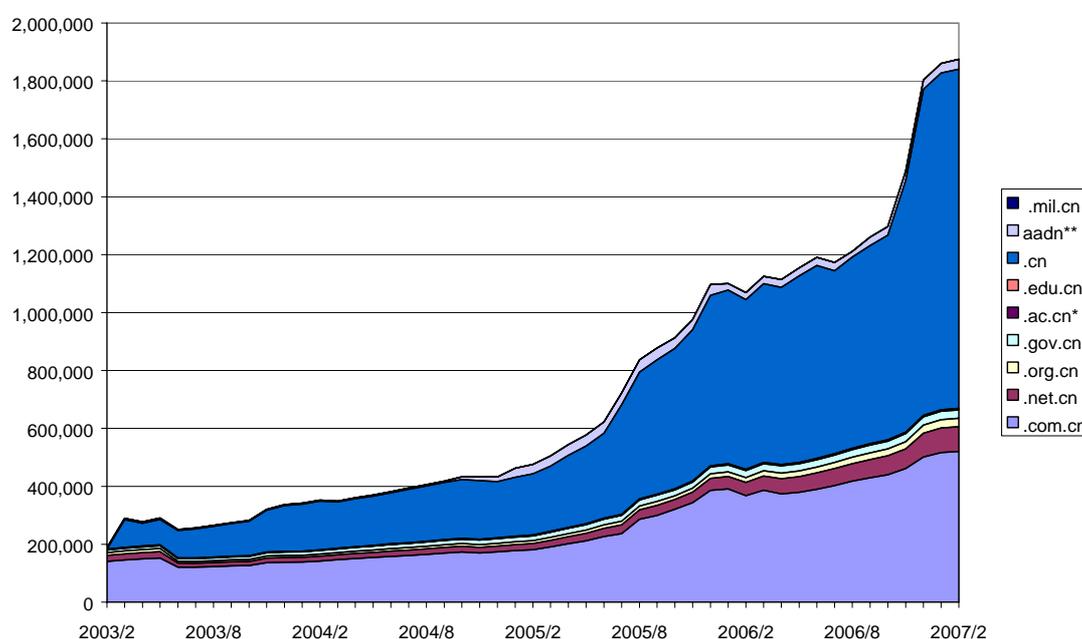


Figure 1: Growth of Chinese domain name registrations

<sup>37</sup> .at Domain Statistics – <http://www.nic.at/en/uebernic/statistics/>

<sup>38</sup> Domain Names Registered Under ".CN" – <http://www.cnnic.cn/html/Dir/2003/12/13/2020.htm>

<sup>39</sup> Chinese Domain Name Opens to Global Markets – <http://www.cnnic.net.cn/html/Dir/2005/03/25/2863.htm>

## **Arguments AGAINST opening up .au to direct registrations**

7.9 (point 1) The existing 2LD hierarchy works well and there is high market recognition of the com.au and org.au brands especially. There are approximately 860,000 3LD .au domain names (refer to .au registry reports at <http://www.auda.org.au/ausregistry/reports/>) compared with over 65 million .com domain names (refer to daily domain count statistics at <http://www.domaintools.com/internet-statistics/>), indicating that the existing 2LDs are not exhausted in terms of desirable and valuable domain names.

New Zealand sought submissions on the possibility of opening up .nz to direct registrations and concluded<sup>40</sup> that domain names may only be registered in the third level of the .nz domain name space. Comments<sup>41</sup> received during the review included:

- Unnecessary complication for / impact on existing registrants.
- Pressure for large-scale duplication and conflict over 2LD names.
- Potential abuse through 2LD registrants offering registrations at the third level.
- Resource implications in managing any change.
- Legal risks for InternetNZ in making such a change.
- Conflicts over who has the right to the 2LD version of existing 3LD names.

1. The existing 2LD hierarchy works well.

Does a 2LD hierarchy that “works well”:

- maintain the Australian identity of the .au domain space,
- enhance the usability of the .au domain space,
- preserve the integrity of the .au domain space and
- facilitate economic benefits flowing from the .au domain space?

Usability is one of the key benefits of the existing 2LD hierarchy according to Melbourne IT<sup>42</sup> who assert that the structure provides an indication to the user of the nature of the domain name registrant. For example: flinders.edu.au is a university whilst flinders.com.au is a commercial business.

Further research could be conducted to determine what other evidentiary measures prove that the 2LD hierarchy “works well”.

2. There is high market recognition of the com.au and org.au brands especially

Further research could be conducted to establish the market recognition of the Australian 2LD brands contrasted against the potential recognition of the .au brand for both the domestic and global markets.

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<sup>40</sup> NZ Second Level Domains Policy – [http://dnc.org.nz/content/second\\_level\\_domains.pdf](http://dnc.org.nz/content/second_level_domains.pdf)

<sup>41</sup> NZ Second Level Domains Policy Review – [http://dnc.org.nz/content/submissions\\_summary.pdf](http://dnc.org.nz/content/submissions_summary.pdf)

<sup>42</sup> Melbourne IT response to the 2007 Names Policy Panel issues paper, May 2007 – <http://www.auda.org.au/pdf/tonkin26.txt>

3. The existing 2LD hierarchy domains are not exhausted in terms of desirable and valuable domain names.

The case could also be made that there are another 64,140,000 viable domain names available directly under .au just in order to catch up with the number of .com domain names registered.

7.9 (point 2) Unlike new TLDs, this is not a greenfields scenario and the rights and expectations of existing registrants should not be discounted. Existing 3LD domain names may be devalued if .au is opened up to direct registrations and existing 3LD registrants may be forced into defensive registration or legal action to protect their brands.

1. Existing 3LD domain names may be devalued if .au is opened up to direct registrations,

If the existing 2LD hierarchy is retained then there is a risk that similar domain names could be registered directly under .au to trade off their brand by capturing mistyped domain names. Electronic Frontiers Australia<sup>43</sup> asserts the proposed change would invite fraudulent use of phoney 2LDs in the format "national.con.au". The following table presents some examples:

**Table 4: Examples of possible "Phoney" .au 2LD hierarchies**

Existing 2LD hierarchy	Possible "Phoney" 2LD hierarchies
asn.au	assn.au, ass.au
com.au	con.au, cm.au, comm.au, co.au, corp.au, ltd.au, ptyltd.au
edu.au	uni.au, school.au, tafe.au, education.au
gov.au	govt.au, gv.au, government.au
id.au	me.au, name.au
net.au	ne.au, et.au, not.au
org.au	or.au, charity.au

A Canadian entrepreneur has struck a deal<sup>44</sup> with the country of Cameroon (.cm) to redirect mistyped .com domains names to an advertising page. Under the deal any request for an unregistered .cm site will default to an advertising page – as opposed to the company who happens to own the .com domain name. The entrepreneur is said to be negotiating similar deals with Colombia (.co), Oman (.om), Niger (.ne), and Ethiopia (.et).

<sup>43</sup> EFA Submission on .au Review – [http://www.dcita.gov.au/\\_data/assets/pdf\\_file/55834/Electronic\\_Frontiers\\_Australia.pdf](http://www.dcita.gov.au/_data/assets/pdf_file/55834/Electronic_Frontiers_Australia.pdf)

<sup>44</sup> Cameroon strikes it rich on the internet – [http://technology.timesonline.co.uk/tol/news/tech\\_and\\_web/article1855377.ece](http://technology.timesonline.co.uk/tol/news/tech_and_web/article1855377.ece)

- Existing 3LD registrants may be forced into defensive registration or legal action to protect their brands.

Henley-Calvert<sup>45</sup> draws attention to one instance where four different organisations have identical domain names under different .au 2LDs. He then asserts that any move to direct registrations under .au would cause conflict between the four entities for the rights to the psa.au domain name.

Domain	Organisation
psa.asn.au	Public Service Association
psa.com.au	Polystyrene Australia Pty Ltd
psa.net.au	Print Solutions Australia
psa.org.au	Pharmaceutical Society of Australia

Similarly, five organisations share the same name “heritage” under various .au 2LD hierarchy domain names. The question then becomes, ‘how are the competing rights for heritage.au best determined?’

Domain	Organisation
heritage.com.au	Heritage Seeds
heritage.edu.au	Heritage College
heritage.gov.au	Department of the Environment and Heritage
heritage.net.au	Heritage Business Systems
heritage.org.au	Scottish Heritage (Qld)

Further research could be undertaken to quantify exactly how many 3LD domain names would conflict if registered directly under .au.

7.9 (point 3) Registrants who choose, or feel compelled, to switch from a 3LD to a direct registration may face significant costs, such as domain name registration fees, printing and stationery, signage, marketing and advertising, as well as revenue already spent promoting the current brand.

The auDA 2007 Names Policy Panel<sup>46</sup> sets out two options for implementing direct registrations under .au. The first option would allow direct registrations only, deactivating the 2LD hierarchy after a transition period. The second option would allow direct registrations and retain the existing 2LD hierarchy.

The first option would compel registrants to relinquish their 3LD domain name at which point they could choose to register directly under .au or in another domain name space altogether. Alternatively the second option would allow registrants to retain their 3LD domain name and register directly under .au domain.

<sup>45</sup> Comments on Review of .au Domain Policy Framework - <http://www.auda.org.au/pdf/henley-calvert.txt>

<sup>46</sup> auDA Names Policy Panel – Issues Paper, May 2007 – <http://www.auda.org.au/document.php?documentid=867>

Costs for switching domain names fit into two main categories:

- Marketing; e.g. advertising (outlets, billboards, radio, television, transport fleets, etc), stationary (letterheads, business cards, etc), search engine optimisation, web site design, etc.
- Information Technology; eg. web site systems, email systems, customer relationship management systems, etc.

The magnitude of the expenses associated with changing a domain name will vary with the type and size of the registrant. For example, an individual switching from joeblogs.id.au to joeblogs.au may have negligible costs associated with changing web site/email systems and advising new contact details. Alternatively, a large corporation switching from largecorporate.com.au to largecorporate.au could face substantial costs associated with marketing and information technology changes.

Further research could be conducted to quantify the types and magnitudes of potential costs for switching domain names for representative groups of registrants.

7.9 (point 4) Introducing direct registrations may lead to increased disputes about rights to a domain name. Regardless of the implementation method, ultimately only one entity can secure the .au version of a domain name, which is particularly problematic where the same domain name is held by different registrants in different 2LDs.

The World Intellectual Property Organization provides statistics by country<sup>47</sup> on domain name arbitrations it has undertaken. It has not been established if these statistics are solely for ccTLDs disputes or if they also include gTLD disputes as well.

Further research could be conducted to determine if the number of disputes have increased for ccTLDs which have switched to direct registrations.

7.9 (point 5) Regardless of which implementation option is adopted, introducing direct registrations is likely to cause user confusion, at least in the short to medium term. User confusion and unfamiliarity with the new domain names may lead to an increased risk of phishing and scams similar to the misleading renewal notices that occurred in Australia during 2003-04.

According to Davies<sup>48</sup> the conditions under which .au domain name scams<sup>49</sup> thrived included:

- No formal regulator
- Internet boom
- The marketing database was available to all to download

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<sup>47</sup> WIPO - Respondent Country Filing (Ranking) –

<http://www.wipo.int/amc/en/domains/statistics/countries.jsp?party=R>

<sup>48</sup> Domain Scamming Down Under – <https://www.centri.org/docs/2003/10/centri-admin3-davies-dotau.pdf>

<sup>49</sup> DomainWatch – <http://domainwatch.org/>

The current conditions are:

- Established regulator<sup>50</sup> prepared to take scammers to court<sup>51</sup>
- Agreed industry code of practice<sup>52</sup>
- Formal complaints handling process<sup>53</sup>
- Increasing awareness of auDA<sup>54</sup>

Further research could be conducted to determine if scams increased for other ccTLDs which have switched to direction registrations.

7.9 (point 6) Assuming direct registrations only was adopted (this would mean that people would only be able to register a domain name directly under .au, and the 2LD hierarchy would be deactivated). Direct registrations would reduce the size of the available namespace as well as the branding choice for registrants, because they would not be able to differentiate themselves as commercial (com.au) or not-for-profit (org.au).

1. Direct registrations would reduce the size of the available namespace.

The .com domain space has almost 68 million domains<sup>55</sup> under one top level domain. The .au space has about 900,000 domains<sup>56</sup> under multiple 2LDs. The .au domain space is 1.3% of the size of the .com domain space, which indicates there is ample room for growth for .au direct registrations.

2. Direct registrations would reduce the branding choice for registrants, because they would not be able to differentiate themselves as commercial (com.au) or not-for-profit (org.au).

This argument has been addressed in section 7.9 (point 1).

7.9 (point 7) Increased commercial opportunities and revenue for the Australian domain name industry is not in itself a sufficient business case for making a change, in the absence of any clear benefit for the broader community.

This argument has been addressed in section 7.8 (point 5).

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<sup>50</sup> About auDA – <http://www.auda.org.au/about/about-overview/>

<sup>51</sup> Information about Domain Names Australia – <http://www.auda.org.au/news/dna/>

<sup>52</sup> .au Domain Name Suppliers' Code of Practice – <http://www.auda.org.au/registrars/code/>

<sup>53</sup> Complaints about Registrars and Resellers – <http://www.auda.org.au/registrars/complain/>

<sup>54</sup> SME's Awareness and Understanding of auDA, December 2006 – <http://www.auda.org.au/pdf/awareness-research.pdf>

<sup>55</sup> Domain Registry Report – COM – <http://www.webhosting.info/registries/reports/domains/COM>

<sup>56</sup> .au Domain Name Statistics - May 2007 - <http://www.ausregistry.com.au/reports/2007/PUBLIC-200705-print.pdf>

7.9 (point 8) Experience with new TLDs, most recently .eu, suggests there would be a high risk of implementation problems and people trying to game the system (for example, refer to [www.euridsucks.eu](http://www.euridsucks.eu)). Any special protective rules or procedures would have a high overhead, with the likelihood that costs would be passed onto consumers.

1. There would be a high risk of implementation problems and people trying to game the system.

Parsons<sup>57</sup> alleged that Eurid allowed 400 “phantom” registrars access the .eu registry which allegedly allowed them to secure the “really valuable names”.

Further research could be conducted to seek evidence to determine if ccTLDs direct registration transitions have been “gamed”.

2. Any special protective rules or procedures would have a high overhead, with the likelihood that costs would be passed onto consumers.

Further research could be conducted to seek evidence to determine if ccTLDs costs increased as a result of direct registration transitions.

## **Conclusion**

This paper provides empirical data (where available) in response the issue “Should .au be opened up to direct registrations (eg. domainname.au)?”. This is not a comprehensive research paper; further work is required to bring it up to an academic standard.

This paper does not attempt to provide weightings or priorities for each argument; these are tasks for the auDA 2007 Names Policy Panel and the auDA board.

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<sup>57</sup> EURid denies .EU landrush abuse. These guys couldn't spin a top. – <http://www.bobparsons.com/EURidResponds.html>