

Input to 2016 auDA consultations



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100% Australian owned and operated

This document contains my own personal opinions and does not necessarily reflect the views of businesses or organisations that I engage with or have ownership in.

Dear Mr Boardman,

I'm very pleased to see that a more open, consultative approach is being taken at auDA.

In the spirit of this open dialogue between auDA and its members, please find enclosed my views on a range of matters, including: auDA membership, auDA policies, and the proposed introduction of direct registrations.

In particular, I recommend the following:

- auDA should consider focussing its efforts on regulation reduction for the .au namespace, including:
 - removing the allocation criteria; and
 - re-examining the value of the eligibility criteria.
- Direct registrations should not be introduced in Australia.

I would be happy to discuss these issues further and can be contacted using the details in the email to which this submission was attached.

If the consultation outcomes are to be made public, then I give my consent for the publication of this document.

Best regards,

Luke Summers

The Lucky Country

eBranding.com.au | Australian domain name marketplace

auDA Membership

The number of auDA members seems to be quite low in relation to the number of registered .au domain names.

auDA could consider implementing complimentary membership for registrants (on an opt-in basis).

Given the trivial auDA membership cost, and the arguably limited contribution it would currently be making to auDA's funding; I believe that this approach would be a very cost-effective way to increase membership.

I was pleased to see the introduction of an online membership form in recent times.

Current auDA policy settings

The .au namespace is arguably one of the most regulated and complicated in the world.

The high level of regulation is hampering innovation, creativity and growth of the .au namespace.

There are several areas of policy that could be improved upon, but I believe there are two in particular that should be addressed as a matter of priority.

Allocation criteria

Usage should have no bearing on determining the eligibility of .au domain licenses (registrations), because all this does is limit the capacity for innovation and hamper the growth of the namespace.

The allocation criteria, that is, the criteria requiring a 'legitimate reason' for the domain name to be allocated to the registrant, should be removed.

The allocation criteria provide no benefits, or protections to businesses or consumers, and so add no value to the .au namespace.

Policy should not be dictating the usage of .au domain names.

Further to this, the criteria for registrant eligibility already provides some level of protection to businesses and consumers. However, it's also debatable as to how effective this protection actually is, which leads me to my next point.

Eligibility criteria

Most namespaces around the globe do not apply registrant eligibility criteria.

auDA should re-examine the value of having eligibility criteria for .au domain names.

The eligibility criteria are arguably one of the key impediments holding back the growth of the .au namespace.

Direct registrations

The Australian market is already well served by the existing second level domains, such as .com.au and .net.au, and I do not support the introduction of direct registrations.

Allowing direct registrations under .au (e.g. theluckycountry.au) would impose further cost burdens on Australian businesses, burdens which would be most acutely felt by SMEs. The brand protection costs alone would be substantial.

The Australian namespace has built a positive reputation over many years and is now widely regarded by consumers as both trustworthy and secure. The .com.au extension has a high level of consumer recognition and is seen as the place to find Australian businesses online.

Introducing direct registrations would create confusion in the marketplace, and also risks damaging the trusted reputation of the .au namespace.

Allowing direct registrations would result in three possible addresses for commercial entities: .com.au, .net.au and .au. This would fragment the Australian namespace and create confusion for both consumers and businesses.

Direct registrations would also pose a number of serious integrity issues for the Australian namespace, including:

- greatly increased risks of intellectual property infringements (e.g. passing off as another business or its brands);
- increases in phishing attacks (e.g. a nefarious .au registrant imitating a bank website hosted on a .com.au domain); and
- misdirected emails potentially leading to the release of commercially sensitive information or breaches of consumer privacy (e.g. emails intended for .com.au addresses going to unrelated .au addresses).

Direct registrations have not been successful in developed markets

The introduction of direct registrations in developed markets, with established ccTLDs already in place, has been underwhelming, to say the least. The introduction of direct registrations for .uk and .nz are examples of this.

There has only been what I would call 'success' (in terms of adoption rates for the direct registration option) in developing markets, where ccTLD use was still in the early stages when direct registrations were introduced. India is a perfect example of this. In that market, .in is now the favoured option (over .co.in); and that's clearly reflected in the registration figures and aftermarket sales.

Where direct registrations have been introduced in developed markets (e.g. the UK), the existing second-level commercial extensions (e.g. .co.uk) have continued to dominate in terms of usage and market awareness. This has also been reflected in the registration figures and aftermarket sales.

Regulation is hampering growth, not availability

The argument that supply (domain availability) is somehow limited is simply not reflected in the registration numbers, with just over 3 million .au registrations ¹ – a very small number when you consider that there are more than 126 million .com registrations ².

The prospect of direct registrations is largely being driven by a desire for growth in the .au namespace.

However, a much more sensible solution for growth would be simplifying the regulation of the .au namespace.

Reductions in regulation, such as the removal of the allocation and eligibility criteria, would help to grow .au market activity, potentially quite substantially.

Reductions in regulation would also bring growth without creating confusion in the marketplace (i.e. three commercial extensions: .com.au, .net.au and .au), and without imposing cost burdens on businesses (additional registration fees, increased IP protection costs etc).

¹ Behind the Dot – State of the .au Domain: Edition 9: https://www.ausregistry.com.au/wp-content/uploads/2016/10/BTD_Issue_9.pdf

² The Domain Name Industry Brief, Volume 13, Issue 2 (July 2016): <https://www.verisign.com/assets/domain-name-report-july2016.pdf>

Implementation of direct registrations

If direct registrations are to be introduced in Australia, then it's imperative that first rights be allocated to existing .com.au registrants.

A 'free for all' approach was initially put forward in proposals to introduce direct registrations under the .uk namespace and the backlash was so strong that the policy was ultimately changed to ensure that there was appropriate protections for existing registrants³.

In order to protect UK businesses, their brands and other intellectual property - existing registrants were given first rights on the equivalent .uk domain.

A tiered allocation approach was used, which started with .co.uk registrants and then proceeded through the other extensions if the .co.uk domain was unregistered.

This tiered approach was adopted in recognition of the fact that the vast majority of UK businesses operate on the .co.uk extension.

The situation in Australia is remarkably similar, with .com.au being the dominant extension used by Australian businesses, representing at least 86.5% of all registrations in the .au namespace⁴. I say at least, as that percentage is based on 2015 .net.au registrations, because as far as I'm aware, more recent .net.au figures have not been published.

However, it's very clear that demand for .net.au is decreasing, as indicated in various issues of Behind the Dot:

"Partly contributing to this reduction is the contraction of net.au for the sixth consecutive quarter."⁵

"Not all 2LD zones expanded however - net.au contracted for the fifth consecutive quarter and the small namespaces of id.au and asn.au struggled similarly."⁶

³ Trials And Tribulations Of .UK: <http://www.domainer.com.au/trials-and-tribulations-of-uk/>

⁴ Behind the Dot – State of the .au Domain: Edition 4: <http://www.ausregistry.com.au/pdf/auSurvey2015.pdf>

⁵ Behind the Dot – State of the .au Domain: Edition 7: https://www.ausregistry.com.au/wp-content/uploads/2016/05/SOTD_Final_Report_Issue_7.pdf

⁶ Behind the Dot – State of the .au Domain: Edition 6: https://www.ausregistry.com.au/wp-content/uploads/2016/02/SOTD_Final_Report_Issue_6_Feb_2016.pdf?utm_source=download&utm_medium=research&utm_campaign=behind-the-dot-6

This is despite earlier promotional efforts to increase the uptake of .net.au domains:

“The net.au challenge will likely become more apparent next quarter with a number of promotional names due to expire, which may incur a lower than usual renewal rate”.⁷

Australia should look to best practice approaches

The UK approach was a simple and effective way to protect the rights of existing registrants and to also maintain the integrity and reputation of the .uk namespace.

Australia should look to the UK approach as best practice, when considering the implementation of direct registrations in Australia.

⁷ Behind the Dot – State of the .au Domain: Edition 7: https://www.ausregistry.com.au/wp-content/uploads/2016/05/SOTD_Final_Report_Issue_7.pdf

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