Domain Name Wait Listing Service

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VeriSign® Global Registry Services

1. Introduction

In response to a formal request by Rick Wesson on behalf of the Registrar Constituency, VeriSign, Inc. is providing this paper to describe its proposed Domain Name Wait Listing Service (WLS). Specifically, the proposed WLS is intended to provide both (1) a new, streamlined business opportunity for the entire registrar community, and (2) some measure of relief in dealing with the "deleted domains" issue. VeriSign believes that introduction of WLS will benefit all interested constituencies (e.g., registries, registrars, resellers, intellectual property owners and domain name registrants). To that end, we address the following topics in this paper:

- High-level mechanics of how the WLS will be delivered and distributed;
- WLS implementation milestones and go-live requirements for registrars;
- Billing model;
- Effects on interested parties; and,
- Market potential and rationale.

VeriSign, Inc., through its VeriSign Global Registry Services ("VeriSign GRS") division, is prepared offer the WLS to VeriSign GRS's ICANN-accredited registrar channel. VeriSign GRS anticipates that it will offer WLS for a one-year test, beginning in late March 2002. Results will be compiled during the last two months of the test and provided to ICANN.

Accordingly, VeriSign solicits constructive feedback from all members of the Registrar Constituency. We have reserved time with our engineering and operations staff during the February and March time frame to move this project forward. Due to this time schedule, we request that the feedback be received by January 18, 2002, so that we will have time to compile, evaluate, and respond to comments. Comments may be directed to Chuck Gomes (cgomes@verisign.com).

2. Service Overview and Mechanics

WLS is a service whereby potential registrants (hereinafter referred to as "subscriber(s)"), through their selected, participating registrar, may purchase a subscription tied to a domain name currently registered. Only ICANN-accredited registrars would be able to offer the subscription service for .com and .net domain name registrations. WLS subscriptions for the .org TLD would not be available during the one-year test period. Registrars would have the opportunity to decide whether or not to allow their resellers to offer the service. Registrars would perform all subscription transactions directly with VeriSign GRS, using an interface separate from the SRS. The RRP would not be used in the implementation of WLS. All current processes would remain unchanged with one exception. A domain name registration that is subscribed to on WLS will be registered to the subscriber when the current domain name registration is deleted through normal operational procedures. Initially, a domain name registration could only have one (1) subscription pending at a time. If demand exists, a deeper subscription queue could be considered for a future phase of WLS. The processes for placing and fulfilling subscription(s) would be as follows:

   a. **Process for subscribing to WLS:**

   i.   <u>Only</u>intheeventthatadomainnameisalreadyregisteredwithinthe SRS,theregistrarcheckstheWLStoseeifasubscriptionalreadyexists forthatdomainname.

      1. Note:Onlytwoscenarioswillpreven   taregistraringood standingfrombeingabletosubmitasubscription.Thefirstisif asubscriptionalreadyexistsforaspecificdomainname.The secondisiftheselecteddomainnameregistrationdoesnot alreadyexistwithintheSRSdatabase.

   ii. Ift hedomainnameisnotalreadysubscribedtoinWLS,thenthe registrarsubmitsasubscriptionforthatnametoWLS.

  iii. NOTE:ThesubscriptionsubmittedtoWLSbytheregistraristhesame data(minusnameserverinformation)thatregistrarscurrentlysubmitt   o "ADD"new.comand.netdomainnames.   <u>WLScollectsnosubscriber dataand,astoday,VeriSignGRSwillhavenodirectcontactwitha subscriber.</u>Thesubscriberstaystheregistrar's customer.The subscriptionregistrarwilladdnameserverdataaftert   heselecteddomain nameisactuallyregisteredintheregistryfortheregistraronbehalfof thesubscriber.

   iv. WLSnotifiestheSRSthatthedomainnameisonthesubscriptionlist. TheSRSidentifiesthenameintheSRSdatabaseasbeingasubscribed name.

    v. WLSnotifiestheregistrarofthesuccessfulsubscription.

   vi. Thesubscriptionregistrarnotifiesthesubscriberofthesuccessful subscription.

  vii. NOTE:Thesubscriptionistiedtoasingledomainnameatanypointin time.However,overthelifeoftheone   -yearsubscriptionperiod,the subscriber <u>can</u> <u>change</u> <u>the</u> <u>domain</u> <u>name</u> <u>tied</u> <u>to</u> <u>the</u> <u>subscription</u>uptoa maximumofthreetimes.

 viii. Afterthelastdayofeachcalendarmonth,VeriSignGRSwillsendeach registraraninvoiceforallsubscriptionssuccessfullysub   mittedduring thepreviousmonth.Forfurtherinformationonthebillingmodeland specificpricing,seeSection5ofthispaper.

b. **Processforsubscriptionfulfillment:**

   i. Adomainnameisdeletedthroughthenormalcourseofoperation(e.g., registrarsubmi tsadeleterequest).

   ii. **NOTE:Anydeletiongraceperiod,asapplicable,willstillapply. However,giventhesensitivitytopermanentlylosingadomainname duetoinadvertentactionsbyaregistrar,VeriSignwillconsider implementinga15 -day"hold"grac eperiod.Specifically,domain nameslistedonWLSwouldnotactuallybe"ADD"edtotheSRS databaseuntil16daysaftertheoriginaldeletion.Duringthistime (1)thedomainnamewillremainregisteredbutberemovedfromthe zonesduetoa"Registry -Hold,"and(2)thedeletingregistrarhas extratimetoensurethatthedeletionisindeedacorrectaction.**

  iii. TheSRSprocessesthedeletionandcheckstoseeifthedeletednameis onWLS.

   iv. IfthenameisonWLS,thenameisautomatically"added"totheSRS databaseusingtheregistrationdatasuppliedbythesubscriptionregistrar atthetimethesubscriptionwasmade.

     v. Atthistime,theregistrar'sVeriSignGRSaccountisdebited$6forthe domainnameregistrationfee.Allotherregularbusinessrulesaffe   cting registrationofdomainnameswillapplyatthistime.

    vi. VeriSignGRSthennotifiesthesubscriptionregistrarofthesubscription fulfillment.

    vii. Thesubscriptionregistrarmodifiestheregistrationrecordtoinclude nameserverdataandupdatesitsWHOIS   databaseinaccordancewiththe registrar'sresponsibilitiesunderthecurrentRegistry   -Registrar AgreementandICANNAccreditationAgreement.

    viii. Thesubscriptionregistrarnotifiesthesubscriberofthesuccessful registration.The"subscriber"isnowareg   istrant.

    ix. ThesubscriptionwillbeclearedfromWLSandanewsubscriptioncan beplacedforthedomainnamebyanyregistrar.

c. **SubscriptionRenewals:** Atthetimeasubscribersubmitsanapplicationfora subscription,itcanchoosewhetherornottohave   thesubscriptionauto -renewat theendofitsterm.Ifthesubscriberdoesnotchooseauto   -renewalattheinitial subscriptionperiod,thenitmaystillchoosethatfeatureatanytimeduringits term.Ifitneverchoosesauto   -renewal,thesubscriptionw   illautomatically terminate(bedeleted)whentheone   -yeartermexpires.Allrenewaltermsarefor oneyear.

d. **SubscriptionTransfers:** Inanefforttokeeptheone   -yeartestassimpleas possible,VeriSignGRSdoes <u>not</u>plantoallowsubscriberstotransfe   r subscriptionsfromasubscribertoanotherparty,ascanbedonewithdomain nameregistrationstoday.Aftertheone   -yeartest,VeriSignGRSmayconsider implementingatransferfeaturebasedonfeedbackreceivedduringthetest period.

e. **SubscriptionCa ncellations:**Asubscribermaycancelasubscriptionatanytime bysubmitting,throughitsregistrarofrecord,a"delete"requestthroughthe WLS.Pleasenotethatsubscriptionfeesarenon   -refundable.

f. **SubscriptionDisputes:** TheUniformDisputeResolu   tionPolicy("UDRP") wouldnotapplytosubscriptionswithintheWLS,asthedomainnames associatedwithsubscriptionswouldnotactuallyberegistered.AstheUDRP onlyappliestoregistereddomainnames,apartywishingtodisputeadomain nameassocia tedwithasubscriptionwouldwaituntilafterthedomainnameis actuallyregisteredtoemploytheprovisionsoftheUDRP.

3.   KeyMilestones(forrampingandgoinglive)

Thedatesassociatedwiththemilestonesbelowassumethatwereceivepositively constructivefeedbackfromtheRegistrarConstituencybyJanuary18,2002.Asstated earlier,VeriSignwillremainpoisedduringthefirstquarter2002tomovetheWLS projectforwardtoimplementation.

a.   **SoftwareDevelopmentKit(SDK)availabletoRegist   rars –01/21/02:** The SDKwillenabletheregistrartodevelopanEPPAPItoconnecttoWLS.Allof theitemsoutlinedbelowareneededfordevelopment.Alsoincludedareactual Javabinariesandbuildcodes,which,ifused,providetheregistrarwitha

completedJava -basedEPPAPIthatcanbeusedtoconnecttotheWLSwith minimaldevelopmentwork.

    i) Frameworkoverview;
    ii) Interfacesclassdiagrams;
    iii) EPPmappings;
    iv) Javabinariesandbuildcode   -thiswillallowregistrarstobuildaworking WLSEPPJavaAPIb   yusingthebuildcodes;
    v) Opensourcecode;and,
    vi) Implementationexamples.

b. ImplementationmaterialsavailabletoRegistrars   –01/21/02

    i)   RegistrarReferenceManual –guidetoallEPPcommands,Ramp   -up Processes,OT&E,AccountsReceivable,Registrartoo   l,andFAQs;
    ii)   Quickstartrampupguide   –necessarystepstobecomeacertified registrar;and,
    iii)   OTEAcceptanceCriteria(registrartestingdocument)   –thetechnicaltest aregistrarmustpass.

c. MarketingmaterialsavailabletoRegistrars   –01/21 /02

    i)   HTMLContent –contentforregistrarstopostontheirwebsitesand incorporateintotheirdomainnamecheckand/orpurchaseflow promotingthebenefitsofWLS;
    ii)   DetailedProductDescription –aPDF -orHTML -baseddocumentthat providesthecom pletedetails(e.g.,howitworks,limitations,risks,etc.) ofWLSthatpotentialsubscriberscanaccessfromtheabovecontent; and,
    iii)   Emailcontent –contentforregistrarstosendtocurrentandprospective subscribers,communicatingtheavailabilit   yandvalueofWLS.

d. OperationTestandEvaluationLaunch(OT&E)   –02/20/02 .TheOT&Ewillbe availabletoregistrarsfordevelopmenttestingandcertification.

e. ProductionLaunch –03/20/02. AllregistrarsthathavesuccessfullycompletedOT&E testingwillgoliveatthesametimeontheProductionLaunchdate.

4.   RegistrarGo -LiveRequirements

    a. SignedServiceAgreement;and,
    b. OT&ECertification.

5.   BillingModelandFeeStructure

VeriSignGRSwillfollowawholesalebillingmodelsubstan   tiallythesameasthemodelused todayfordomainnameregistrations.Specifically,VeriSignGRSwillchargeregistrarsforeach subscriptionatthetimethesubscriptionisplaced.Theregistrarswouldberesponsiblefor

promoting/retailingWLStoits   resellersandcustomers.Registrarsarefreetosetacompetitive retailpriceforthisservice.

VeriSignenvisionssettingthewholesalepricebetweenVeriSignGRSandregistrarsatUS$40 foraone -yearsubscription.Thispricepointischosenforthe   followingprimaryreasons:

- VeriSignGRSmustrecoupcostsassociatedwithsecuringandmaintainingpartnersand licensestoofferWLS **.**
- VeriSignGRSmustrecoupitscostsofdeveloping,implementing,andmaintainingthe technologyandresultingWLS.
- VeriSignGRSenvisionsmakingareasonableprofitonprovidingtheservice.
- Asfurtherdetailedinthemarketrationalesectionbelow,aservicesimilarbutinferiorto WLScurrentlyretailsfor$49.Therateofuptakeontheservicebyregistrarsand subscribersisincreasingevenatthiscurrentretailprice.Weenvisionthattheregistrars couldchargeahigherpriceforagreatersuccessrate(100%)offeredbyVeriSignGRS's WLS.WhenadomainnameregistrationisdeletedwithintheSRS,WLSguarantees success.
- VeriSignGRSbelievesthatbecausetheWLScouldprovideanewavenuefor speculators,thepricepointshouldbesethighenoughsoasnottoencourageabusive speculationofWLSsubscriptions.

**NOTE:Unlikethescenarioregistrarsarefamiliarw   ithinregisteringdomainnames,the WLSwill <u>not</u>debitaregistrar'sVeriSignGRScreditbalanceassubscriptionsareentered intotheWLS.However,theserviceagreementbetweenVeriSignGRSandeachregistrar willprovideforthecurrentregistrarpaym   entsecurityvehicletobeusedbyVeriSignGRS torecoverlostfundsintheunlikelyeventofaregistrarpaymentdefaultrelatedtoWLS subscriptions.

6.   EffectsonInterestedParties

a. Effectonregistries:
   i)   Newservicetooffertoregistrars.
   ii)   Newrevenuestreamthatwouldsupporttheinvestmentcosts.
   iii)   ReductioninsystemusageforconstantchecksforthetargetnameonceaWLS subscriptionisplaced.
   iv)   Eliminationofmanydesireddomainnameregistrationsfromthespeculator marketsot hatthecurrentexcessivedemandonoperationalresourcesisreduced andsystemaccessismaintainedatamuchmorereasonablelevel.

b. Effectonregistrars:
   i)   Newservicetooffertocustomers.
   ii)   Newrevenuestream.
   iii)   Reductionofregistrarsystem   usageforconstantchecksonceasubscriptionis placed.
   iv)   Ensuresafairplayingfield/equivalentaccessforallregistrars,regardlessof theirmarketortechnologicaladvantage.

c. Effectonresellers.Alleffectsonregistrarscouldflowdownto   resellers.

d. Effect on registrants:
   i) Current domain name registrations would not be affected in any way. A registrant could remain the registrant of its domain name indefinitely so long as it continues to meet the requirements of its chosen registrar.
   ii) A WLS subscription would only kick in when a name is finally deleted.
   iii) A registrant's "rights" to its registered domain name registration service would not be affected in any way.
   iv) Registrants may still transfer or otherwise make their registered domain names available in the secondary market (i.e., "auctions," person to person transactions, etc.).
   v) No restrictions on registrants placing a subscription on their own domain name registrations if they wish.
   vi) Subscriptions would be processed on a first-come, first-served basis.

e. Effect on intellectual property owners:
   i) No negative effect on IP owners.
   ii) Provides a low cost alternative to the current UDRP or other dispute mechanisms for IP owners who choose to wait out a current domain name registration. This could be likely in the event that a domain name registrant is not using a current registration in commerce or for other activities.

7.   Market Potential and Rationale

As the primary market for domain name registrations in all Top-Level Domains (TLDs) approaches maturity, commercial market participants (i.e., registries, registrars, and resellers) are evaluating ways to continue commercial viability and growth in their core businesses. Adding services complementary to domain name registration services, which would be available to all ICANN-accredited registrars and which would meet consumer (i.e., registrant) demand, is one important way to accomplish these goals.

Historically, and as is evident by the current number of domain name "checks" processed at the registry level each and every day (roughly 80-100 million checks per day, or over 95% of all transactions per day), registrants clearly have been and continue to look for ways to "get in line" for a domain name when it becomes available. Moreover, the rate of increase for "check" commands continues to grow each and every month. Many interested parties, including applicants, wish to monitor current domain name registrations for various reasons (e.g., trademark concerns) without having to continually query registrar and registry systems or to monitor outdated WHOIS information. Due to system constraints and desired efficiencies throughout the registration system, all parties could benefit from this new, ordered approach to handling "recycled" domain name registrations, which does not favor speculators and robotic systems. VeriSign GRS believes WLS will address these needs and market demands of both industry and consumers.

Such a service is currently offered by a private industry player, SnapNames, albeit with a much lower efficacy rate than that expected if WLS is offered by VeriSign GRS. Nonetheless, SnapNames' success thus far, coupled with other demand indicators, speaks to a large applicant market awaiting WLS. VeriSign GRS believes that it is reasonable to assume that the industry could see an initial penetration of at least five (5%) for WLS across the base of the current domain name registration market. This rather large market offers a substantial up-side opportunity for registrars and resellers.