
Domain Name Wait Listing Service

Revised by VeriSign Global Registry Services

January 28, 2002



Preface to the Revised Version

This document is a revision to VeriSign Global Registry Services (VGRS) Wait Listing Service (WLS) proposal sent to the DNSO Registrars Constituency on December 30, 2001. In this revision VGRS has tried to respond as much as possible to feedback received from registrars and other interested parties. To make it easier for registrars and others to identify where changes were made, major content changes are shown in italic font.

With the submission of the initial proposal on December 30, VGRS suggested that discussion of the proposal first occur with registrars because they would be one of the most significantly impacted parties if the WLS was implemented. The plan at the time was to open up the discussion to other gTLD registries and other DNSO constituencies after time was allowed for discussion between VGRS and registrars. Our intent was not to limit input by others but rather to make the feedback process more manageable. Some good feedback has already been received from other constituencies and individuals interested in this issue and it is appreciated.

With the changes made in this document, VGRS is again requesting feedback from the Registrars Constituency, in particular regarding the revisions made in this document. VGRS is also formally asking for feedback from any other DNSO constituencies, the DNSO General Assembly, and other interested parties, including other registries. The purpose of the requests for feedback is to assist VGRS in making an informed decision about whether and how to proceed with its proposal for the WLS.

Procedures for Asking Questions and Providing Feedback

VGRS recognizes that processes and procedures for fostering discussion and obtaining feedback from members of the Internet community are still relatively undeveloped in the DNSO and the community at-large. With that in mind, we would like to attempt to add some structure to the WLS discussion that we believe will make it easier to answer questions, to organize feedback received and to quantify that feedback in a way that leads to results that are based on objective analysis rather than subjective, unfairly biased or unsubstantiated opinions. We believe that the guidelines below will facilitate these objectives and make the process more manageable for all parties.

As a registry business, we are of course concerned that our business needs be met and that the concerns of our customers (registrars) be heard and addressed as possible. At the same time, we believe that the needs of end-users (registrants and prospective registrants) are of the utmost importance with regard to domain name services. Consequently, we suggest that, in the end, after the feedback is received, that the highest priority should be to objectively evaluate the WLS in light of the ultimate beneficiary, domain name consumers. It is our hope that the guidelines below will allow that to happen.

Procedural Guidelines

1. *Questions and feedback should be consolidated by each organization wishing to ask questions and/or provide feedback. Organizations may include DNSO Constituencies, the DNSO General Assembly, or other groups of interested parties that are formally or informally organized. For individuals who wish to contribute who are not part of a larger group, it is requested that they provide their input through one of the DNSO Constituencies or the DNSO General Assembly.*
2. *In the case of groups of people not associated with DNSO organizations, please provide the following information with your initial input:*
 - *A brief explanation of what your interest is in the proposed WLS offering*
 - *Objective data regarding the size of your group*
 - *A brief characterization of the members of your group (e.g., domain name registrants, intellectual property owners, intellectual property associations, etc.)*
 - *A statement of the general purpose or mission of your group.*
3. *Every group submitting questions and/or feedback must provide a point of contact and email address that VGRS may use for communicating with the group.*
4. *Deadline for questions: **February 8, 2002***
 - *Questions consolidated as requested in item 1 above and applicable information requested in item 2 above should be sent to Chuck Gomes, VP of Policy and Compliance for VGRS at wls@verisign.com.*
5. *Deadline for VGRS responses to questions: **February 15, 2002.***
6. *Deadline for final feedback: **March 1, 2002***
 - *Final feedback consolidated as requested in item 1 above and applicable information as requested in item 2 above should be sent to Chuck Gomes, VP of Policy and Compliance for VGRS at wls@verisign.com.*
 - *To assist VGRS in evaluating feedback, please provide the following objective data:*

- *What is the nature of the members of your group (e.g., individuals, registrars, registries, trade organizations, etc.)?*
 - *What is the total size of your membership?*
 - *How many members of your group participated in the WLS feedback process leading up to the final feedback provided?*
 - *How many members who contributed to the WLS feedback you provided to VGRS are involved or planning to be involved in the process of directly or indirectly using the VGRS batch delete system for registering just-deleted names?*
 - *What efforts did your group make to reach out to members of your group who did not participate in the WLS discussion process?*
- *In preparing feedback to the revised proposal, it is important to remember that the proposal is not submitted as a permanent offering but rather a 12-month trial. Although based on the information it has seen to date, VGRS believes that there is more than enough evidence to support consumer demand for such a service and that the best way to offer such a service from a consumer point of view is to offer it at the registry level, we also recognize that there is still considerable debate about some issues. A 12-month trial period will allow time to get empirical answers to questions that have been raised.*
 - *Constructive suggestions for improving the proposed WLS offering are encouraged and welcomed. Statements of opposition are also welcome but should be accompanied with briefly stated reasons.*
7. *Target for VGRS decision regarding the WLS proposal: **March 8, 2001***
- *VGRS will attempt to evaluate the feedback received not later than March 8, 2002 and, if it is decided to consider proceeding with the offering, will submit a final pricing proposal to ICANN for its approval per the requirements of Appendix G of the ICANN-VeriSign registry agreements*

Complementary Paper

Please note that a complementary paper was prepared by VGRS titled 'Justification for a Registry-based Wait Listing Service.' The purpose of the paper is four-fold:

1. *To provide a brief overview of the VGRS proposed WLS for .com and .net second-level domain names.*
2. *To provide members of the Internet community a high level overview of the current situation with regard to registering previously registered .com, .net and .org second-level domain names*
3. *To highlight what VGRS sees as the advantages of the WLS*
4. *To provide responses to some of the criticism that has been presented to date in opposition to a Registry-based Wait Listing Service.*

Summary of Major Revisions

Here is a summary of the major changes made with this revision:

- *An introductory explanation was added at the beginning of the proposal.*
- *The maximum number of times a subscriber would be allowed to transfer a subscription to a different name was changed from three to five (see Section 2.a.vii).*
- *The proposed 15-day Registry Hold period has been omitted from this document. Although the proposal has merit in addressing several problems that have arisen, including inadvertently deleted names, it is a distinct idea and VGRS believes that it is best considered separately.*
- *Specific key milestone dates were changed to TBD in Section 3.*
- *Possible terms were suggested for the Signed Service Agreement in Section 4.a based on feedback received from the DNSO Intellectual Property Constituency.*
- *The original billing and fee structure was replaced with a new one in Section 5.*
- *A companion paper titled ‘Justification for a Registry-based Wait Listing Service’ was issued at the same time as this revised proposal.*

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.

Pursuant to a license from SnapNames of its Parallel Registry™ technology, VeriSign, Inc., through its VeriSign Global Registry Services (“VGRS”) division, is prepared to offer the WLS to VGRS’s ICANN-accredited registrar channel. VGRS anticipates that it would offer WLS for a one-year test, beginning at a date to be determined. Results would 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 *as well as other DNSO constituencies, the DNSO General Assembly and other interested parties in the Internet community.* We have reserved time with our engineering and operations staff during the February and March timeframe to move this project forward. Due to this time schedule, we request that feedback *regarding the revised proposal* be received by *March 1, 2002*, so that we will have time to compile, evaluate, and respond to comments. *Questions and comments should be consolidated as requested at the beginning of this document and directed to wls@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 VGRS, using an interface separate from the Shared Registration System (SRS). The VeriSign Registry Registrar Protocol (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:

- In the event that a domain name is already registered within the SRS, the registrar checks the WLS to see if a subscription already exists for that domain name.
 1. Note: Only two scenarios will prevent a registrar in good standing from being able to submit a subscription. The first is if a subscription already exists for a specific domain name. The second is if the selected domain name registration does not already exist within the SRS database.
- If the domain name is not already subscribed to in WLS, then the registrar submits a subscription for that name to WLS.
- NOTE: The subscription submitted to WLS by the registrar is the same data (minus nameserver information) that registrars currently submit to "ADD" new .com and .net domain names. WLS collects no subscriber data and, as today, VGRS will have no direct contact with a subscriber. The subscriber stays the registrar’s customer. The subscription registrar will add nameserver data after the selected domain name is actually registered in the registry for the registrar on behalf of the subscriber.
- WLS notifies the SRS that the domain name is on the subscription list. The SRS identifies the name in the SRS database as being a subscribed name.
- WLS notifies the registrar of the successful subscription.
- The subscription registrar notifies the subscriber of the successful subscription.
- NOTE: The subscription is tied to a single domain name at any point in time. However, over the life of the one-year subscription period, the subscriber may change the domain name tied to the subscription up to a maximum of *five* times.

- After the last day of each calendar month, VGRS will send each registrar an invoice for all subscriptions successfully submitted during the previous month. For further information on the billing model and specific pricing, see Section 5 of this paper.
- b. **Process for subscription fulfillment:**
- A domain name is deleted through the normal course of operation (e.g., registrar submits a delete request).
 - NOTE: Any deletion grace period, as applicable, will still apply.
 - The SRS processes the deletion and checks to see if the deleted name is on WLS.
 - If the name is on WLS, the name is automatically "added" to the SRS database using the registration data supplied by the subscription registrar at the time the subscription was made.
 - At this time, the registrar's VGRS account is debited \$6 for the domain name registration fee. All other regular business rules affecting registration of domain names will apply at this time.
 - VGRS then notifies the subscription registrar of the subscription fulfillment.
 - The subscription registrar modifies the registration record to include nameserver data and updates its WHOIS database in accordance with the registrar's responsibilities under the current Registry-Registrar Agreement and ICANN Accreditation Agreement.
 - The subscription registrar notifies the subscriber of the successful registration. The "subscriber" is now a registrant.
 - The subscription will be cleared from WLS and a new subscription can be placed for the domain name by any registrar.
- c. **Subscription Renewals:** At the time a subscriber submits an application for a subscription, it can choose whether or not to have the subscription auto-renew at the end of its term. If the subscriber does not choose auto-renewal at the initial subscription period, then it may still choose that feature at any time during its term. If it never chooses auto-renewal, the subscription will automatically terminate (be deleted) when the one-year term expires. All renewal terms are for one year.
- d. **Subscription Transfers:** In an effort to keep the one-year test as simple as possible, VGRS does not plan to allow subscribers to transfer subscriptions from *one registrar to another registrar*, as can be done with domain name registrations today.
- e. **Subscription Cancellations:** A subscriber may cancel a subscription at any time by submitting, through its registrar of record, a "delete" request through the WLS. Please note that subscription fees are non-refundable.
- f. **Subscription Disputes:** The Uniform Dispute Resolution Policy ("UDRP") would not apply to subscriptions within the WLS, as the domain names associated with subscriptions would not actually be registered. As the UDRP only applies to registered domain names, a party wishing to dispute a domain

name associated with a subscription would wait until after the domain name is actually registered to employ the provisions of the UDRP.

g. **Conclusion of 12-Month Trial:** VGRS assumes the following:

- Subscriptions continuing beyond the end of the trial period would continue to be serviced by VGRS and registrars.
- Registrars, ICANN and VGRS will mutually develop evaluation criteria for the 12-month trial.

3. Key Milestones (for ramping and going live)

As stated earlier, VeriSign will remain poised to move the WLS project forward to implementation.

a. **Software Development Kit (SDK) available to Registrars – TBD:** The SDK will enable the registrar to develop an EPP API to connect to WLS. All of the items outlined below are needed for development. Also included are actual Java binaries and build codes, which, if used, provide the registrar with a completed Java-based EPP API that can be used to connect to the WLS with minimal development work

- i) Framework overview;
- ii) Interfaces class diagrams;
- iii) EPP mappings;
- iv) Java binaries and build code - this will allow registrars to build a working WLS EPP Java API by using the build codes;
- v) Open source code; and,
- vi) Implementation examples.

b. Implementation materials available to Registrars – TBD

- i) Registrar Reference Manual – guide to all EPP commands, Ramp-up Processes, OT&E, Accounts Receivable, Registrar tool, and FAQs;
- ii) Quick start ramp up guide – necessary steps to become a certified registrar; and,
- iii) OTE Acceptance Criteria (registrar testing document) – the technical test a registrar must pass.

c. Marketing materials available to Registrars – TBD

- i) HTML Content – content for registrars to post on their web sites and incorporate into their domain name check and/or purchase flow promoting the benefits of WLS;
- ii) Detailed Product Description – a PDF- or HTML-based document that provides the complete details (e.g., how it works, limitations, risks, etc.) of WLS that potential subscribers can access from the above content; and,
- iii) Email content – content for registrars to send to current and prospective subscribers, communicating the availability and value of WLS.

- d. **Operation Test and Evaluation Launch (OT&E) –*a* + 30 days.** The OT&E will be available to registrars for development testing and certification. *The OT&E period will continue from a + 30 days throughout the trial.*
- e. **Production Launch – *d* + 60 days.** All registrars that have successfully completed OT&E testing will go live at the same time on the Production Launch date. *Other registrars will go live as they are OT&E qualified.*

4. Registrar Go-Live Requirements

- a. Signed Service Agreement; and,
 - *Details of the WLS Service Agreement will be provided at a later date.*
 - *VGRS suggests that terms of the WLS Service Agreement should include requirements for registrars to:*
 - *Verify previously submitted subscriber contact data at the time a WLS subscription is converted into a domain name registration to ensure that contact information is accurate*
 - *Take reasonable measures to ensure that a domain name registration that is cancelled as the result of a UDRP proceeding will not be awarded to the wait list subscriber for that domain name unless the subscriber is the UDRP complainant, thereby avoiding undermining the integrity of the UDRP process*
 - *Keep the identity of wait list subscribers confidential except as required by law enforcement agencies.*
- b. OT&E Certification.

5. Billing Model and Fee Structure

VGRS will follow a wholesale billing model. Specifically, VGRS will charge registrars for each subscription at the time the subscription is placed. The registrars would be responsible for promoting/retailing WLS to its resellers and customers. Registrars are free to set a competitive retail price for this service.

VGRS envisions setting the uniform wholesale price between VGRS and registrars as follows:

- *\$35 (lowered from \$40)*
- *To incentivize registrars to properly educate subscribers about the costs, risks and benefits of the WLS, VGRS will pay a rebate to registrars for each subscription registered during a calendar quarter during which registrars demonstrate they have made reasonable efforts to fulfill this objective.*
- *Rebates will be paid to all qualifying registrars as follows, regardless of a registrar's individual volume:*
 - *For each subscription registered up to the first 250,000 aggregate subscriptions:*
 - *\$7*
 - *For each subscription registered after the first 250,000 aggregate subscriptions:*
 - *\$11*
- *Rebates will be paid 60 days after the end of the applicable calendar quarter.*

- *VGRS, registrars and ICANN will agree to what constitutes reasonable efforts to qualify for this rebate.*

This rebate price break point has been chosen for the following primary reasons:

- VGRS must recoup costs associated with securing and maintaining partners and licenses to offer WLS.
- VGRS must recoup its costs of developing, implementing, and maintaining the technology and resulting WLS.
- VGRS envisions making a reasonable profit on providing the service.
- As further detailed in the market rationale section below, a service similar but inferior to WLS currently retails for \$69. The rate of uptake on the service by registrars and subscribers is increasing even at this current \$69 retail price. We envision that the customers would be willing to pay a higher price for a greater success rate (100%) offered by VGRS' WLS *as compared to the current estimated success rate of 70%*. When a domain name registration is deleted within the SRS, WLS guarantees success.
- VGRS believes that because the WLS could provide a new avenue for speculators, the price point should be set high enough so as not to encourage abusive speculation of WLS subscriptions.
- *Starting off with a higher price point allows VGRS to have better chances of recovering development and implementation costs should overall subscription volume be low and/or should the service not be continued beyond the 12-month trial period.*
- *Because VGRS has no direct contact with potential registrants or potential WLS subscribers, it must rely on registrars to effectively educate end-users of the service. Giving rebates is a way that VGRS can encourage that consumers are well informed about the service they might consider purchasing.*

****NOTE:** Unlike the scenario registrars are familiar with in registering domain names, the WLS will not debit a registrar's VGRS credit balance as subscriptions are entered into the WLS. However, the service agreement between VGRS and each registrar will provide for the current registrar payment security vehicle to be used by VGRS to recover lost funds in the unlikely event of a registrar payment default related to WLS subscriptions.

6. Effects on Interested Parties

- a. Effect on registries:
 - i) New service to offer to registrars.
 - ii) New revenue stream that would support the investment costs.
 - iii) Reduction in system usage for constant checks for the target name once a WLS subscription is placed.
 - iv) Elimination of many desired domain name registrations from the speculator market so that the current excessive demand on operational resources is reduced and system access is maintained at a much more reasonable level.
- b. Effect on registrars:
 - i) New service to offer to customers.
 - ii) New revenue stream.
 - iii) Reduction of registrar system usage for constant checks once a subscription is placed.

- iv) Ensures a fair playing field / equivalent access for all registrars, regardless of their market or technological advantage.
- c. Effect on resellers. All effects on registrars could flow down to 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) Same effect as on registrants, as above
 - ii) No negative effect on IP owners.
 - iii) 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 through out 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. VGRS 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 VGRS. Nonetheless, SnapNames' success thus far, coupled with other demand indicators, speaks to a large applicant market awaiting WLS. VGRS believes that it is reasonable to assume that the industry could eventually realize a penetration of at least five (5%) for WLS across the entire base of the current domain names registered. This rather large market offers a substantial up-side opportunity for registrars and resellers *and provides a clearly defined, easy to use service for consumers.*