MarkMonitor®

MAKING THE INTERNET SAFE FOR BUSINESS
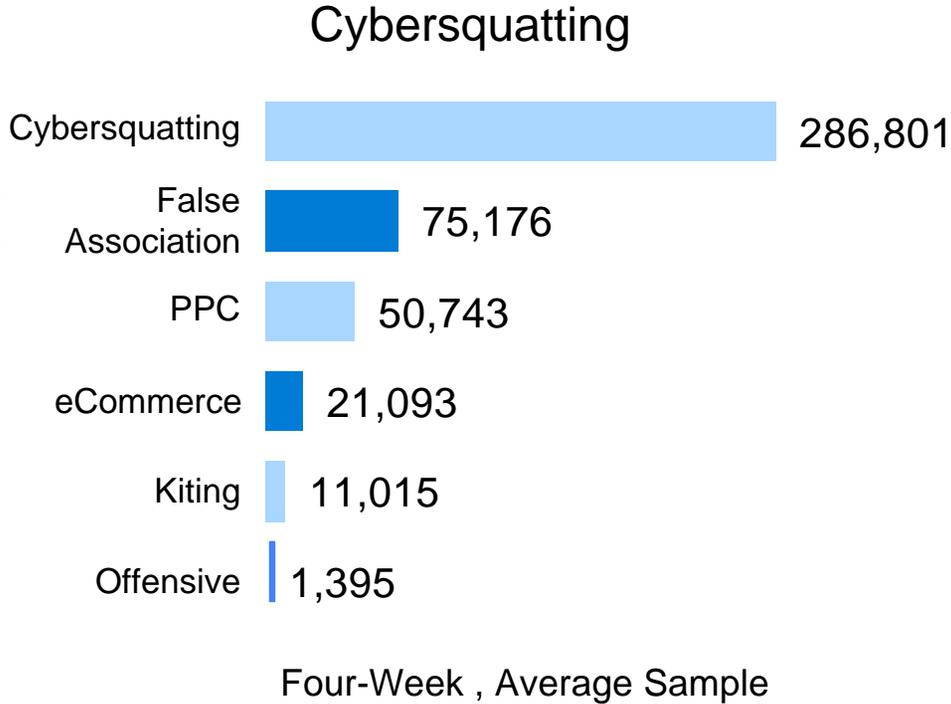
Domain Tasting
Possible Solutions

Margie Milam
Vice President &General Counsel
June 2007

Scope of Cybersquatting Problem

Cybersquatting

Category	Value
Cybersquatting	286,801
False Association	75,176
PPC	50,743
eCommerce	21,093
Kiting	11,015
Offensive	1,395

Four-Week , Average Sample

- 286K instances of squatting
- 2006:Cybersquatting increased 248%
- Abusers use brand strength to siphon traffic
- Volume difficult to manage for brand holders
- Rev Estimate: $125 mil attributable to kiting

MarkMonitor®

Key Observations – Kiters target financial services

Domain Kiting
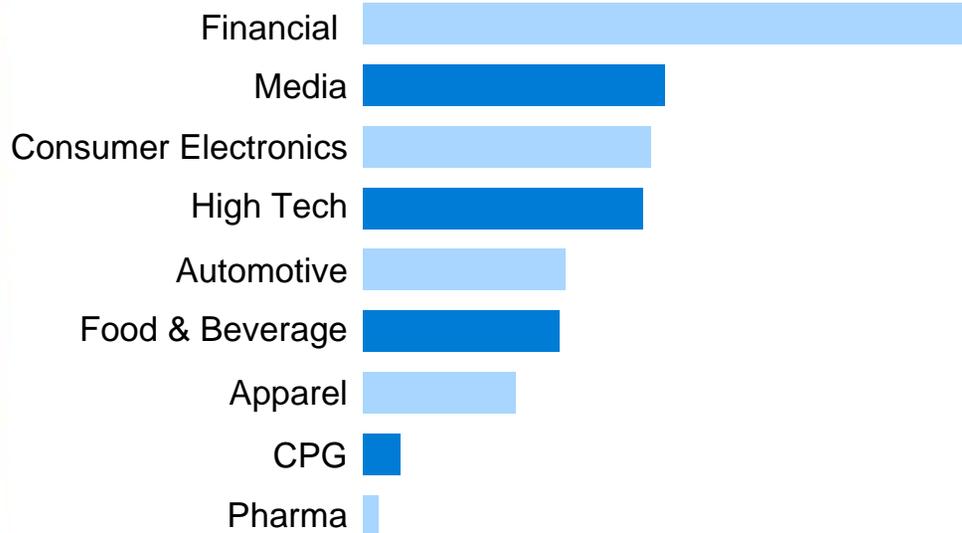
Four-Week , Average Sample

- 980+ average Kited sites focused at each Financial Brand

- Turn every five days or less, magnitude of problem 4-5x

- Financial targets very attractive to kiters

- Facilitates Criminal Phishing Activities

MarkMonitor®

Possible Short Term Solutions

- ## ICANN Budget
  - Fixed Registrar Fee Forgiveness Policy- reflects ICANN's opinion that AGP abuse should be addressed
  - Transaction Fee of $.25 could be non-refundable

- ## Registry Based Solution
  - Registry Service Evaluation Procedure
  - **3.1(a):** ICANN Board may adopt **temporary specs or policies**
  - Sell traffic data to domainers

- ## Enforcement of 3.7.4 of RAA
  - Registrars may not activate domain name without a reasonable assurance of payment
  - Obligation of payment becomes final and non-revocable by the registered name holder upon activation of the registration

MarkMonitor®

ICANN's Role in Resolution

- Cooperate with and continue GNSO PDP
- Take Short Term Action Where Appropriate

    - <u>Enforcement of RAA</u>: Advisories under §3.7.4 – i.e., AGP applies if:

        - Registrant asserts basis of mistaken registration
        - Registrar demonstrates fraud by Registrant
        - No resolution to a PPC site
        - No repeat credits for registrants

    - <u>Clarification of Registry Specs</u>: Advisories under §3: App.7 (.com)

        - **"A *Grace Period* refers to a specified … days … in which a domain action may be reversed and a credit may be issued to a registrar"**
            - i.e. clarify that no AGP for registrars with >5% deletes

        - Registries have the right to charge a fee … for disproportionate % of AGP deletes

- Revisions to Budget