Domain Tasting
Possible Solutions

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June 2007
### Scope of Cybersquatting Problem

<table>
<thead>
<tr>
<th>Cybersquatting</th>
<th>286,801</th>
</tr>
</thead>
<tbody>
<tr>
<td>False Association</td>
<td>75,176</td>
</tr>
<tr>
<td>PPC</td>
<td>50,743</td>
</tr>
<tr>
<td>eCommerce</td>
<td>21,093</td>
</tr>
<tr>
<td>Kiting</td>
<td>11,015</td>
</tr>
<tr>
<td>Offensive</td>
<td>1,395</td>
</tr>
</tbody>
</table>

**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
Key Observations – Kiters target financial services

- 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

Domain Kiting

- Financial
- Media
- Consumer Electronics
- High Tech
- Automotive
- Food & Beverage
- Apparel
- CPG
- Pharma

Four-Week, Average Sample
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
ICANN’s Role in Resolution

- Cooperate with and continue GNSO PDP
- Take Short Term Action Where Appropriate
  - **Enforcement of RAA:** 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
  - **Clarification of Registry Specs:** 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