



POLICY ADVISORY BODY REPORT
Holiday Inn, 1 Kings Cross Road, London
11 July 2007
MEETING 51

Those present:

Ulrika Almen	Appointed Member – Federation of Small Businesses
Andrew Bennett	Elected Member
James Conaghan	Elected Member
Gordon Dick	Nominet Board
Merlin Hay	Appointed Member (part)
Mark Healey	Elected Member
Eric Ramage	Appointed Member – ITMA (Chair)
Jarrold Robinson	Elected Member
Michael Toth	Elected Member

From Nominet by invitation of the PAB:
Eleanor Bradley, Director of Operations
Marianne Robottom, Policy Executive

Industry experts by invitation of the PAB:
Nora Cotter, Sedo
Nick Wood, Com Laude

1. **Welcome and Apologies**

Eric Ramage welcomed Nora Cotter and Nick Wood (who joined for item 5 only).

Apologies were received from William Brocklehurst, Jeremy Beale, David Evans, Clive Feather, Alex Kells and Subhi Hashwa.

2. **Approval of the May PAB Meeting Report**

The May meeting report was approved.

3. **Matters arising**

The PAB received the paper.

4. **Board response to PAB resolutions Meeting 50**

The PAB received the paper and noted the Board's response to the resolutions.

5. **Domaining, dropcatching and the secondary market**

The Chairman introduced Nora Cotter from Sedo, an organisation which offers a global marketplace for the brokerage and auction for domain names, and Nick Wood from Com Laude, an organisation that offers domain registration and management services.

Norah spoke first and explained that Sedo has more than 400,000 members, 6.5 million domains for sale, 3 million parked domains, and achieves a domain transaction volume of

more than €3m per month. Sedo's presentation highlighted the significant growth of the secondary market for .uk domains (a 353 % increase in transaction value since 2004). Nora Cotter also highlighted Sedo's own self-regulation policies and procedures for the secondary market such as its Rights Protection Programme, Stolen Domains Policy, and Rules for Domain Parkers and the process by which it protects its and others' intellectual property rights.

Nick Wood from Com Laude opened his 10-minute presentation stating that he believed Nominet was currently at a crossroads. The practice of domaining could call into question how the Internet is stewarded. He asked whether a registry should allow itself to become dominated by special interests (or by any select group of registrars). The primary and secondary markets are converging and the value of the secondary market now outstrips the primary. Nick Wood said that a Com Laude research project revealed that a high proportion of ICANN-accredited registrars were involved with domaining and registering domains for their own purposes. There is a need to differentiate between user registrants and professional registrants.

Both Com Laude and Sedo have made their powerpoint presentations available to PAB members via the PAB Secretariat, upon request.

A question and answer session followed with both presenters.

The PAB agreed that there was a flourishing secondary market and noted that this market was unregulated. The PAB felt there was a need to differentiate between "wrong" domaining - typo and cyber-squatting, for example, and legitimate domaining activities. Sedo was asked how many complaints it received (on average four per week). Sedo was also asked about its process of self-regulation and Nora Cotter explained about its policy for protecting intellectual property through suspending, blocking, deleting patterns of infringing domain names and other methods. The PAB was referred to the Policies page on the Sedo web site for more information.

The Chairman thanked the presenters and opened the discussion among the PAB. The PAB noted that while it was difficult to agree a universal, catch-all definition for domaining, it should nevertheless debate and decide upon a policy statement on this topic. It was agreed however that the practice of trying to limit domain buying would be unworkable.

In order to inform the debate, the Executive was asked to identify the main areas of concern among Nominet's stakeholders with regard to domaining/dropcatching and to give some idea of the number and nature of the concerns.

Eleanor Bradley offered to bring a menu of policy options to the September meeting.

The Chairman invited James Conaghan to supply a paper outlining the issues he thought were of concern to stakeholders.

The PAB resolved to continue to debate this topic at its September meeting.

6. Lock state

The PAB received the paper. Lock State is the ability to lock a record so that only one party can change it (either the registrar or registrant). It was noted that there was no locking at present. One member noted that current gTLD lock states offer registrant safety - but there was no ability for this within the UK namespace.

The PAB felt further discussion was merited which took account of the two different types of lock - locks that mirror functionality already available in other TLDs and other types of lock that would be appropriate for .uk. Some members felt there was a need for a sub-committee to evaluate the wider considerations. Eleanor Bradley offered a more detailed discussion paper and to create a 'best-fit' solution together with draft policy statements for the PAB's consideration in September.

Jarrold Robinson agreed to email his points to Eleanor to further the debate.

7. Review of positive renewals process

Eleanor Bradley gave an update on the review of the positive renewals process. She anticipates bringing the review to the September meeting. Eleanor also explained the delays in implementing registration periods of less than two years. This policy decision has implications for financial forecasting due to the deferred income model. Before implementation can take place Nominet needs to be satisfied that it can properly account for these registrations. Nominet has been unable to identify a suitable off the shelf package that would provide this functionality so is currently trying to source appropriate software. A fuller report will be prepared for the September meeting.

8. Feedback from DRS Consultation

The Chairman drew attention to a posting on pab-suggest that anyone with an "interest in DRS" should not chair the meeting. The wording of the posting appeared to be directed towards him, because he is a member of the Institute of Trade Mark Attorneys. He reminded the PAB that he had been invited to join the PAB precisely because of this and had been elected to the Chair in that capacity. He doubted if any member present could say that they had "no interest in DRS", not least because most of the elected members had been - or were currently- involved in DRS cases, and asked if there were objections from those present about his ability to Chair this item. There were no objections.

One member asked to delay this discussion so that other members and stakeholders could consider the paper in more detail. The Chair said he did not think he had the ability to do so. As he understood it, this paper simply provides the Board's feedback to the PAB on the DRS consultation after which the consultation period closes in accordance with established guidelines.

Gordon Dick confirmed that the DRS document sets out Nominet's proposed response to the consultation process. Nominet invites comments and feedback from the PAB.

Some PAB members commented that a number of items suggested in the consultation phase had been left off the document. Gordon Dick commented that it would be impracticable to cover or answer all the points that emerged in the consultation process.

There was much debate about the Default Transfer scheme with several members indicating that it appeared to be too easy to lose a domain with four weeks an insufficient time to respond. Andrew Bennett registered his disagreement with the default transfer scheme proposal.

The Chairman asked members to submit objections in writing to the Executive and urged them to suggest improvements, rather than simply express disapproval.

Eleanor Bradley responded that the idea of the discussion document was to gather ideas and suggestions on the details of the changes so that a variety of safeguards can be put in place to ensure a smooth and fairer process for the DRS.

The PAB noted the date of the next Board meeting when this subject is on the agenda to be discussed. All member comments should therefore be submitted to the Executive as soon as possible, ideally by end July.

9. Phishing

The PAB debated and amended the wording from the Executive paper on Phishing. It agreed to adopt the following policy wording:

Because Phishing is a criminal activity which can adversely affect Internet users' trust and confidence in the online environment, and because it is highly unlikely to be solved by a single intervention, the PAB encourages Nominet to participate in self- or co-regulatory responses through a series of co-operative activities with other agents to include education of users and improved security measures. The PAB advises Nominet not to duplicate existing efforts by other agencies.

10. Issues log

The PAB received the paper and noted the status of issues and actions.

11. Appointed membership review

Marianne Robottom updated the PAB with a list of three potential consumer organisations which had been contacted with regard to joining the PAB. These were Which?, Citizens Advice Bureau (head office) and the consumer division of the Office of Fair Trading (no response as yet). The PAB tasked Marianne to further discussions with the Social Policy Manager of the Citizens Advice Bureau about possible membership of the PAB.

12. Matters arising

Andrew Bennett declared a conflict of interest but said that there had been over 100 emails on Nom-steer and other fora about the Domain Availability Checker (DAC) Standard Terms and Conditions and asked Nominet to revisit the wording on 5.3.6 to clarify the meaning of 'insubstantial'.

Jarrold Robinson reported on comments received at the Bristol members' lunch which included: more relaxed rules on .net.uk, a wish for a policy on Lock State, and acceptance of Domaining as a legitimate and valid business model.

13. Any Other Business

The timing and venue of PAB meetings will be discussed at the next meeting.

14. Date of next meeting

The next meeting will be held on Wednesday 12 September at 2pm at a venue to be confirmed.