

## Shaping the future and the secondary market

In response to your recent request for contributions from members with regards to shaping the future of the domain name industry in the UK I would like to add my comments based on my nine years experience within the UK domain/internet sector.

My main purpose for being a member of Nominet is to be able to register and administer my own portfolio of domains, the vast majority of which I make available to the public by offering publishing, advertising and marketing services. I also make domains available for lease and make occasional domain sales. I have invested heavily in my own registration software so that I can register available domains as well as recently cancelled domains. As such I consider I am part of the secondary market, I do not offer registrations of unregistered domains to the public.

Being a member of the secondary market seems to bring me into direct conflict with Nominet, as apparently you do not support the idea of there being a secondary market and therefore at this point I feel little connection with Nominet and would not seek to contribute anything to you other than necessary fees.

The issue of self regulation is of course an important one, but for me there is something much more fundamental that has to happen first and that is Nominet's recognition and definition (publicly) of the need for a secondary market and the various domain related services that it [your members] currently offers the public; often in very creative and entrepreneurial ways. The fact that the various reports that I've read lately are rejecting the idea of the need for a secondary market is frankly alarming, and seems ill-informed, making the need for Nominet's intervention and market definition paramount. If indeed you reject this thinking then I would like to know that too.

To reject the idea of a secondary market seems absurd. The majority of the general public are able to recognise that from the moment a domain is registered no two are equal; this fact alone is surely what drives the secondary market and always will. The idea that the secondary market should be controlled from within Nominet, along with other factors such as pricing, regulation etc. I could not support, as there are obvious monopolistic concerns. The membership, operating under strong governance and codes of conduct, is surely a more diverse and fragmented way to form the secondary market and meet the needs of the general public (the wider stakeholders).

There seems to be three key roles required to run the UK space effectively: administration, governance and self-promotion.

Nominet seem to perform the administration role fairly well overall. However, Nominet's role within governance is somewhat less visible. My sense of Nominet is that it is effectively toothless when it comes to matters of discipline or strong guidance. Nominet seems to be much more interested in administration than with governance, and in this sense I have little confidence currently that you'll be able to show strong leadership, or that you'll be able to convince the necessary government bodies. I only have to look at the pathetic ramblings and insults that I see within groups such as Nom-Steer to see that yet again you fail to discipline people who abuse others. You look very weak. The third key role that's needed is self-promotion of the UK space, there's an alarming amount of ignorance out there and misunderstanding and I feel that Nominet have been slack in not raising the public

awareness of the uses and role of domain names. Perhaps this is where some of the surplus should have been spent. Maybe this was never Nominet's role, but there is a clear need for it in my mind. My business model includes the need to partake in "droppatching" which has recently been labelled in various unsavoury ways often showing the level of ignorance that many have of the way things are. I suspect that many of the toxic registrations that seem to give us all a bad reputation are committed by non-members who have little understanding or respect for intellectual property rights. All of the fellow "domainers" that I deal with are very professionally led people with viable business models, but I feel we all suffer from a lack of recognition and a reliance on the complex DRS for keeping the market's reputation in order.

Of the specific points raised in your questionnaire:

**To continue as a not-for-profit organisation:** I support the principle of self-regulation based on not-for-profit.

**Commercial discount arrangements** – I don't understand what this means. I think it's essential that the registration cost of names is kept low. I feel that the space will function better if more domain names are active particularly generic (product and services related) domains.

**Broadening membership:** I can't understand why anyone outside of the UK internet industry would ever consider being a member. For myself membership is something I have a fairly high value on as I feel it helps represent my business in a professional way. However, I don't feel at all well supported by my Nominet membership (re: secondary market issues).

**Constitutional change:** I think that most of Garrett's recommendations for constitutional change should be implemented, though I don't have enough understanding of the detailed implications of employing some of these ideas. I'm glad of the opportunity to vote and would like to maintain this element of membership rights. However, I feel the board needs to have more diversity in order to be seen as being more representative of industry as a whole.

It may be that Nominet should be restricted to the administration role only, and that the creation of second body responsible for the governance and promotion of the UK space would add credence to the self regulation model through being detached and more diverse in its board structure. A percentage of each domain registration could fund its existence. I share some of the concerns that have been raised recently and I very much hope that Nominet is able to respond.

Hopefully this review will bring about some positive change within Nominet and the UK domain industry as a whole. I feel very threatened by some of the statements that I have read over the last few days and I am concerned overall that there is little understanding or genuine wish to consult on the real issues and needs of Nominet's members and the domain community as a whole or seem to be poorly represented.

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