

30 September 2015

Ms Jo Lim
Chief Operations and Policy Officer
auDA
By email only: jo.lim@auda.org.au

Dear Ms Lim

Response to 2015 Names Policy Panel Draft Recommendations - August 2015

REA Group Limited ("REA") does not support the introduction the .au domain.

REA is a digital media business with its primary assets in Australia. It operates a number of websites including the Australian market leading property website "realestate.com.au". "realestate.com.au" is both REA's principle domain and also the brand by which millions of Australians know REA's services and products.

REA is concerned that the ability to register the .au domain will negatively impact existing domain name holders. In particular, REA considers that direct registrations will result in:

- (a) defensive registrations by existing 2LD domain name holders;
- (b) typo-squatting or bad faith registrations; and
- (c) widespread confusion as a result of direct registrations by entities that "missed out" on the equivalent 2LD registration.

REA also submits that new gTLDs issued by ICANN means that more domain names are available than ever before, allowing entities that missed out on their preferred 2LD greater options to register a domain name suited to their business.

Principal submissions

(a) Defensive Registrations

Direct registrations (registrations of .au) will result in existing 2LD holders registering the equivalent direct registration in order to prevent a competitor or third party from registering that existing 2LD holder's domain first. Even if similar protections that exist today are applied



to entities registering directly under .au¹, domain name holders are still likely to register equivalent direct registrations defensively to block competitors or unrelated third parties.² This will significantly increase the administrative burden and costs for existing domain name holders and will effectively create a mirror of the existing domain name system.

Defensive direct registrations are likely to be reduced if measures such as a right of first refusal, automatic registration, or a payment free period were given to the holders of existing 2LDs, however, this would also defeat one of the purposes of direct registrations, being to enable entities which missed out on other 2LDs to register their preferred domain name.

(b) Bad-faith registrations

Direct registrations will encourage typo squatters and bad-faith registrations. As acknowledged by the Names Policy Panel in its Draft Recommendations, direct registrations provide an opportunity for typo-squatters or scammers to register domain names that are deceptively similar to existing 2LD domain names.

For example, REA is frequently required to protect its domain from third parties attempting to leverage the “realestate.com.au” brand through registering similar domain names, which comes at significant cost and effort. Direct registrations would provide yet another forum for entities to attempt to act maliciously against legitimate brands.

(c) Confusion and unfair competition

Even where direct registrations similar to existing 2LDs are registered in good faith, the similarity of the domain name will cause confusion to the general public. Some submissions in response to the Names Policy Issues Paper (April 2015) noted that direct registrations would be beneficial as they would allow organisations that missed out on their preferred 2LD (most likely to be .com.au) to register directly under .au. If Direct Registrations allowed identical or near-identical registrations, it would not only cause confusion to internet users, it would also

¹ The Names Policy Panel has suggested similar conditions as those that exist for current for 2LDs such as the prohibition on registering a domain name for the sole purpose of resale, prohibition on misspelling or the requirement that a .com.au domain name is an exact match, abbreviation or acronym of the registrant’s trade mark or otherwise closely and substantially connected to the registrant.

² As acknowledged by the 2015 Names Policy Panel in its meeting on 5 March 2015, the majority of .uk direct registrations are held by the registrant of the matching co.uk domain name.

create unfair competition against existing 2LD holders who have created value in their brand or domain name.

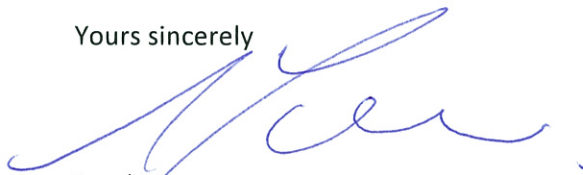
(d) Additional considerations

Over the past 5 years, there has been a significant rise in mobile and tablet ownership and mobile internet and app usage, whilst desktop usage has declined.³ REA considers this trend will continue and that, particularly with the rise of app usage, the need for short and memorable domain names, will become less important. This makes the primary reason given for the introduction of direct registration by the Names Policy Panel (i.e. to make domain names shorter, more appealing and more memorable)⁴ superfluous. In addition, anecdotal evidence suggests that people searching the internet are more likely to search for a website or information via a search engine rather than type a domain name directly into their browser, meaning that domain names no longer need to be memorable or short.

In summary, REA considers that the introduction of direct registrations will provide little or no benefit to those wishing to register a domain name. Conversely, direct registrations will have a detrimental impact on existing domain name holders and will cause additional and unnecessary cost and administration.

Thank you for the opportunity to respond to the 2015 Names Policy Panel Recommendations.

Yours sincerely



Sarah Turner
General Counsel & Company Secretary
REA Group Limited

sarah.turner@rea-group.com

³ Online Australians 16+, Nielsen Australian Connected Consumers Report, Feb 2015. Smartphones = personal ownership. All other devices = household ownership.

⁴ As per the Names Policy Panel Draft Recommendations, August 2015:
<http://www.auda.org.au/assets/pdf/2015npp-draft-recs.pdf>.

