Expired domain names in TLDs .RU и .РФ

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Expired domain name -

Is the domain name that is on redemption period. After finishing the redemption period the domain name will be deleted from the registry and become available on the market.

- Keeping the current position in search engines;
- Keeping the reference rate
- Domain name more valuable for search engine optimization
- Perfectly suits for advertising
- Much more easy to attract clients

The price of the domain name could differ from 2 to 20 000 USD

There are about 1500-2000 domain names expires daily in .RU and .РФ. About 10% of them are registered again
Existing scheme - principles

Registration rules for .RU/.РФ:

«Registry provides equal opportunities to register the domain name for all end users and all registrars. Registry does it by publishing the exact day and time after which every registrar will be able to send the registration request»

**Market equality**

Every customer can use service of every accredited registrar (or several) for registering the domain name.

**Technical equality**

Domain names are deleted by registry backend between 17:00 and 18:00 every working day. The exact time of deleting any particular domain name is unknown.
Domain names are deleted by registry backend every day from 17:00 to 18:00, the exact time of deleting any particular domain is unknown. Every registrar has a limited number of requests to the database: \(1000 + 2.5 \times N\)

- 1000 – Fixed number of requests for every registrar;
- \(N\) – number of registrar-served domain names that will be deleted today;
- 2.5 – empirically determined coefficient

**Features:**
- Customer could use service of any registrar (even all of them simultaneously);
- Competition between registrars helps to rise the quality of service and obtain affordable price for customers;
- Customer is required to be quite experienced in domain market.

**Problems:**
- Manipulating with request limits;
- Risk of creating the «fake» registrars only for extending the limit;
- The feedback effect – the more requests we have, the more information about the registration process we have, and the more chances for success we have

*There is no any solution that satisfy both big and small registrars*
Alternative ways

**Technical approach:** attempt to make an equality with the math (optimized limits, number of session, optimization of the way that registrar get access to the data base.

**Monetary approach:** the price of the expired domain is defined by customer. Examples: auction (direct and “Holland” auctions).

- Limited number of requests for registration of every particular domain name while domain names are deleted on the same way – var 1
- Additional mony for every request to database – var 2
- Open and centralized registry-based auction – var 3
Domain names are deleted in certain period of time while the exact time of deleting every particular domain is unknown. Every registrar has equal limitation for number of requests to database
  - For requests to register any particular domain name
  - For all the requests
Exceeded limitations lead to additional fees or other sanctions

Features:
• Every registrar has equal opportunities.
• The price of domain name on the secondary market can be dropped down due to the participation of the different registrars.
• Customer does not see any difference
Domain names are deleted in certain period of time while the exact time of deleting every particular domain is unknown. There are no limitations for requests, but for every request registrars have to pay.

Features:

• Every registrar has equal opportunities
• Cost price of domain name increased, domains become more expensive for end users (including the secondary market)
• It’s very important to set the correct price for every request to database. It should be from one hand big enough to regulate the activity of registrar, and from other hand it should not increase price for end users.
Alternative ways – var 3

Centralized registry-based auction:
- All expired domain names goes to auction
- Customers could participate in biddings by themselves or through the registrars
- Domain name goes to person who offers more

Features:
- Transparency: every customer can see every bid.
- Every participant has equal opportunities
- This scheme requires to set a specific relations between the registry, registrars, end users and bidding platform. It takes a lot pf time and could be expensive.
- Huge amount of money goes not to registrars but to registry
- This scheme contradicts to the basic principle “First Come First Served” that works now
Conclusion

What should be done before working on auction:

1. It’s better to get the approval from your governance. Dealing with auctions could rise the questions about taxes and natural monopoly.

2. You should be able to describe what will you do with the money.

3. The scheme should be absolutely transparent and give equal opportunities to all participants.
Thank you!

Mikhail Anisimov
E-mail: m.anisimov@cctld.ru