

.nyc Auctions Guide for Participants for Landrush Auctions

Version 1.0

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The .nyc Auctions Guide for Auction Participants provides an overview of the .nyc Auction Process for Landrush auctions from a Participants perspective. This guide is for informational purposes only. Auction Participants will be required to accept the 'Terms and Conditions' posted at the auction site (Ref: www.Auctions.nyc and www.SnapNames.com). The auction site(s) also includes a set of 'FAQs' describing general auction protocols.

While all necessary measures have been taken in order to provide you with clear and detailed information in this Guide, neither the City of New York, Neustar, Inc., Web.com and/or SnapNames.com; nor any principal or agent thereof, can be held liable for any errors, inaccuracies or omissions in this document. Your use and reliance on the information contained herein is your sole responsibility.



TABLE OF CONTENTS

Introduction.....	3
The Benefit of Domain Name Auctions.....	4
Landrush Phase & General Form of Auction	4
Allocation of .nyc Domain Names.....	5
Auction Scheduling	6
Anti-Sniping.....	6
Auction Notices.....	7
Bidding Information	7
Auction Bid Increments	8
Proxy Biddings.....	9
Abandoned and Invalid Auctions	9
Post Auction Processing	10
Miscellaneous Terms.....	10

Introduction

The City of New York and Neustar are committed to ensuring a fair, orderly and equitable launch of the .nyc domain. The .nyc Launch Plan was designed to provide for the planned allocation of domain names throughout the course of the early phases of the .nyc launch in a manner that gives priority registration rights to owners of certain relevant intellectual property – including certain eligible trademark holders, and to determine the final Registration Fee¹ applicable to a domain name.

By gradually allocating domain names to eligible persons, we intend to avoid the chaos and inequities that have been caused by more traditional “first-come, first-served” allocation methods relied on by many registries.

Based on lessons learned from previous TLD launches, the .nyc Registry will deploy a domain name auction process (whenever multiple valid applications are received in a single phase for a specific domain name) instead of a first-come, first-served allocation system.

The .nyc Registry, through its administrator Neustar, has selected SnapNames, a Web.com company, to conduct .nyc Landrush Auctions via an online process. SnapNames auctions are designed to provide a fair and equitable means to allocate registry-approved .nyc domains when one or more approved applications exist during the Landrush period. The .nyc Landrush Auctions will be governed by the Auction 'Terms and Conditions'. The auction protocols are described explicitly in the 'FAQs' published by the Auction Provider on both the .nyc website (www.Auctions.nyc) and the provider website (www.Snapnames.com).

¹ The Registrar's fee plus the Winning Bid constitute the total Registration Fee for the first year of registration. Subsequent renewal fees will correspond to standard registrar fees.

The Benefit of Domain Name Auctions

As other TLD registries have noted in the past, a pure first-come, first-served process for Landrush allocations may create a race-like scenario and turn the domain name allocation process into an unpredictable, lottery-like situation.

Instead of pitting registrants and registrars against each another in a frenzied race to secure key domain names -- as typically happens when everyone is racing to “submit their application first” -- an auction process will help to facilitate the fair, orderly and equitable distribution of domain names.

The success of the entire .nyc domain space lies in the active development and positive usage of registered .nyc domain names. An auction process featuring competitive bidding will result in a more just and predictable distribution of domain names to those who ascribe the greatest value to them. It is likely that those who are willing and able to bid the highest for a particular domain name are the most likely to invest the time and resources required to develop the secured name into a viable website with credible content.

An auction process will also spare companies from having to submit applications to multiple registrars in an effort to increase their chances for securing the domain names that they want most -- as has been the case in past domain launches. Since the auction process will ensure the allocation of domain names in an orderly, fair and consistent process, you can feel more confident in your ability to secure your domain name(s) of choice by working exclusively with your trusted registrar partner.

Landrush Phase & General Form of Auction

.nyc Landrush Phase

August 4 – October 3, 2014

Auctions for qualified domain name applications received during the Landrush phase will be conducted with transparency.

Auctions will be held exclusively among two or more qualified .nyc domain name applicants that have applied for the exact domain name during the .nyc Landrush Period. As such, this is considered to be a “private auction” as opposed to an “open auction” where additional bidders (i.e. other domain name applicants) may join in at anytime during the auction period.

A conventional “English-style” auction format where eligible bidders will bid against other eligible bidders will be deployed. In an English-style auction, each bid must be at least one increment higher than the prevailing auction price, and the auction ends when no participant has submitted a higher bid within a reasonable period of time, as determined by the Registry or its auction agent. The winner of the auction is the highest bidder.

To participate in a Landrush "Private" Auction, approved applicants must place a bid on the domain they wish to purchase before the auction start date and time. The Auction start date and time will be provided in the Auctions & Account Notification e-mail notifications and on the auctions website(s) at www.auctions.nyc and www.snapnames.com.

On the start date of a Landrush "Private" Auction, only approved applicants that have created an account and placed a timely bid will be able to participate in the auction.

At the conclusion of the auction, the domain will be awarded to the highest bidder upon payment in full.

Allocation of .nyc Domain Names

The level of interest for domain names for Landrush is expected to be high. To avoid a chaotic rush for domain names and to preserve an orderly and equitable process, the .nyc Registry has devised certain rules regarding the allocation of domain names.

A competitive closed auction will resolve competing claims in the case where there are two or more competing qualified applications for the same domain name. No auctions will be conducted for domain names with only one qualified applicant.

All eligible applicants will be notified of the intended auction start. Such notification will include instructions to create an account to access the auction site. This notice will be sent reasonably ahead of time for applicants to prepare for the auction and for a quiet period to ensue prior to the auction being held.

If there is only one successful application, the domain name will be allocated to the applicant accordingly. If there are two or more successful applications, all successful applicants will be invited to bid for the particular domain name through an auction.

While an auction is pending, the domain name will remain unavailable registration during the next phase. For example, Landrush auctions will be ongoing while General Availability (GA) begins, and the domain will be unavailable for registration in GA because the auctions will extend past October 8, 2014.

The domain name will be allocated to the winner of each particular auction.

An eligible bidder may withdraw from an auction provided that it notifies the Registry in good time and in any event prior to the commencement of the auction it is due to take part in. In any event, the bidder has no obligation to actually place bids in an auction.

After any such withdrawal, if there is only one bidder remaining, the auction will be cancelled and the domain allocated to the remaining bidder.

If no bids were received during the time allotted for an auction, the eligible bidders for the domain name will be considered to have forfeited their interest for the domain name. The domain name may be re-auctioned at the Registry's discretion or released and become available for registration in subsequent phases of the Launch Plan.

Auction Scheduling

The auction for a domain will be scheduled soon after the registrant has received notice from .nyc Auctions (and SnapNames) that a Landrush application has more than one qualified applications for the domain.

Note that if there is only one successful application, the domain will be awarded in the applicant's favor without auction and you will see this reflected in the .nyc WHOIS information (without requirement of a Domain ID) within 24 hours of the notification.

Auctions will be scheduled to minimize the number of simultaneous auctions that any one participant may have to monitor. Email communications will be sent to each applicant for an auction for each domain that has multiple applications.

Auction start dates will be on a Monday, Tuesday, Wednesday or Thursday. All auctions will be scheduled to start at **1:00 PM Eastern Standard Time**. We will try to accommodate and adjust for major holidays, however, the closing date for any particular auction cannot be predicted because of the auto-extension mechanism for the auctions. All auctions will be scheduled to complete in three (3) days unless a change in leader occurs in the last 5 minutes of the auction in which case the auction is extended an additional 5 minutes.

The planned schedule for the start of auctions is as follows (note that auction participants will be notified by email at least 5-10 days in advance of an auction starting). Auctions are scheduled in three batches according to the first letter of the .nyc domain application.

- Batch 1: A-I: October 23-27, 2014
- Batch 2: J-R: October 28-31, 2014
- Batch 3: S-Z: November 3-6, 2014

Anti-Sniping

In the event that any bids are placed in the last 5 minutes of an auction, anti-sniping rules will extend the auction for additional 5 minute increments until such time as no competing bid is placed for a period of 5 minutes. This extension model provides the fairest opportunity for bidders in all time zones to respond to changes in auction leadership and formulate their bid strategy accordingly.

Auction Notices

All auction participants must have an account with SnapNames.com to participate in the .nyc Landrush auctions. Information about setting up an account and reading FAQs about auctions if applicants have applied for exact match .nyc domain names will be sent from auctions@OwnIt.nyc (you may wish to white list the address to ensure you receive these emails). The .nyc Registry will send the first auction notification email message to registered auction participants 5-10 days prior to an auction starting. The auction notification email message will contain the domain auction details and a **unique URL link** to login to the SnapNames auction portal. Note: After an account is created and activated, auction messages will be sent from snapnames-automail@SnapNames.com email address (you may also wish to white list this address to ensure that you receive these emails).

All auction Participants are encouraged to read the material and FAQs that will be available on the auction site. This will provide the Participant with all the information necessary to successfully place bids in the auction.

Participants in an auction will receive email notifications for a variety of purposes. These include:

- Initial account creation
- An auction is started
- The participant has been outbid and they will lose the auction if no further action is taken
- The participant has won an auction
- Request for payment
- Confirmation of payment processed and allocation pending
- Once a domain name auction is complete and full payment has been collected, the registry will send out email notifications to the registrars indicating the status of the application for all their domain names. Registrars may then email registrants and/or resellers.

Bidding Information

All bidders must have an active SnapNames account in good standing and a valid credit card on file. All new accounts will be entitled to set up a unique bidding alias at SnapNames to protect their identity. Bidders should be sure to set up a bidding alias that provides the level of anonymity required.

Once the bidder has placed their first bid through the SnapNames website, bidders can place further bids and monitor the auction from their web browser or using the SnapNames bidding app, which is available for both Android and iPhone platforms.

Bidders should monitor auction activity both online from the SnapNames buyer dashboard and from email alerts sent to bidder's e-mail listed on their SnapNames account.

Auction email alerts and/or buyer dashboard statuses reflect each bid, when the bidder has been out-bid, and when the bidder has won an auction.

Bidders control how much they bid by –

- Bidding real-time during the auction, and
- Setting a proxy "max bid" , which authorizes the SnapNames technology to automatically bid at the next winning increment on a bidder's behalf, up to the maximum bid permitted by the bidder.

Once any auction has commenced, all qualified bidders, now auction participants, will be able to see the bidding alias of the other auction participants. Each participant will be able to observe the bidding history of bids placed by itself or its competitors. That is, the current bid price and whether or not the applicant is the leading bidder. The only exception to this rule is where the current winning bid reflects a proxy bid (See below) that is actually higher than the auction amount. In this case, the actual proxy bid will not be shown. This is true both during the auction and once the auction has successfully closed. In essence, any proxy bid is not generally revealed until such time as the auction value exceeds the proxy bid.

Auction Bid Increments

To further foster transparency, predetermined online bid increments are set automatically by the SnapNames system and are based on the highest bid amount, as of the time the bid is placed. At any time an auction bid is placed, it will be verified against the then current auction price. Acceptable auction bids must be at least one increment higher than the current auction price. The required increment changes as the auction value increases in accordance with the following table:

Bid Range (USD)	Bid Step (USD)
\$1-49	\$1
\$50-99	\$5
\$100-249	\$10
\$250-999	\$25
\$1,000-2,499	\$50
\$2,500-4,999	\$100
\$5,000-9,999	\$250
\$10,000-24,999	\$500
\$25,000-49,999	\$1,000
\$50,000-99,999	\$2,500
\$100,000-249,999	\$5,000

Bid Range (USD)	Bid Step (USD)
\$250,000-499,999	\$10,000
\$500,000-999,999	\$25,000
\$1,000,000+	\$50,000

Proxy Biddings

When placing bids, the auction system will accept proxy bids (also called “max bids”) above the minimum required (i.e. current auction value plus one increment). The auction system will only place that portion of the bid necessary to establish the bidder as the auction leader provided their maximum bid is greater than the current leader’s maximum bid. The final auction value, and the amount that will be charged to the winning bidder will always be at most one auction increment higher than the second highest bid, not exceeding the winning bidders highest bid.

For example, if the current auction value and highest bid is \$600, then the minimum valid bid would be \$625. If a bidder places a maximum bid at \$800, the system will only place a bid of \$625 and retain the \$800 bid as a proxy bid. The system will continue to bid automatically on this bidder’s behalf until a maximum bid greater than \$800 is submitted.

A second example, if the current auction value is \$600 and the leader’s maximum bid is \$750, the minimum valid bid is still \$625. If a bidder places a bid of \$625, the system will automatically place an overbid of \$650 on the current leader’s behalf as a proxy.

Another way to consider a proxy bid is that the bidder is authorizing the system to bid on their behalf up to their maximum bid but never bid more than what is necessary to take the lead. That bid requirement at any point in time is always the auction value plus one increment. So, if a winning bidder who has placed a high proxy bid is outbid, basically the system will rebid on their behalf.

Abandoned and Invalid Auctions

An Abandoned Auction means an auction where no participant has successfully placed a bid during the time period allocated for an auction. An Invalidated Auction means an auction which failed to produce a valid winner. In the event of an Abandoned Auction or an Invalidated Auction, the .nyc Registry reserves the right to the following lines of actions, at its sole discretion:

- a. invite or not invite one or more of the original applicants as well as additional qualified bidders or the public to a Re-Auction on a future determined date.
- b. consider passing the domain to General Availability and releasing the domain name for public registration

Post Auction Processing

Unless anti-sniping rules extend the auction as provided above, all auctions end at **3:15 pm Eastern Standard Time on their ending date**. Payments will be processed upon completion of the Auction.

If the winning bidder's credit card cannot be successfully charged and no funds are available in the bidder's SnapNames account, a system-generated email will be sent the bidder, and indicate on the buyer's dashboard that the payment is pending. This typically happens either because the card is "invalid" or the winning bid amount was \$5,000 or greater. If the card is "invalid," bidder shall have the option to furnish SnapNames with a new card or wire payment. If the winning bid is \$5,000 or greater, payment by wire will be required.

Domains will not be released to the winning bidder until payment in full for the domain is received by SnapNames.

SnapNames, in its sole discretion, may extend the duration of an auction if it reasonably perceives that there has been an irregularity in the auction process. In the event a winning bidder does not pay for the domain they won in full within three (3) days, it is in SnapNames's full discretion to award the domain to the next highest bidder or rerun the auction.

Miscellaneous Terms

- a. **Registrar Fees:** The final Winning Bid collected *does not include* the registrar registration fee for the domain which will be collected from the winning bidder by the Registrar through which the application was submitted. Any questions about registrar fees will be directed to the Registrar.
- b. **Payment Terms:** Payment terms will be due immediately from an auction closing. Payment will be made direct to the Auction Provider, SnapNames. Accepted payment methods will depend on the amount of the Winning Bid outstanding at the time payment is due as follows:
 - i. Up to \$5,000USD: Payment will be accepted by Credit Card
 - ii. \$5,000USD and above: Payment must be made by Wire Transfer
- c. **Credit Cards:** Only VISA, MasterCard or American Express will be accepted.
- d. **Other Payment Methods:** Should a credit card auto-charge fail, users may also pay the Winning Bid by Check, Wire Transfer or PayPal (for amounts under \$5,000 USD)
- e. **Chargeback:** The .nyc Registry has the right to cancel the winning bidder's registration and transfer the name back to the registry in the event that payment is not received or in the event of a Chargeback.
- f. **Pre-Authorization:** When an Auction Applicant's account is first established at SnapNames.com, a valid credit card will be required that will be used to verify the applicant's identity as a valid bidder. To this end, two authorizations each totaling less than

US\$1 are sent to the bank when the card is submitted. This appears as a pending charge in the customer's account. It will be placed back into the account once the bank clears it. Once this is cleared, there will be no further charges until an auction is won.. This reservation of credit is usually in effect 48 to 72 hours, and will expire automatically. This is a security measure that the Auction Provider uses to protect their customers and SnapNames.com from fraudulent acts.



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